CHANGE IS THE NEW STATUS QUO

Corporate Plan Summary

2013-2014 to 2017-2018

August 2013

CBC Radio-Canada

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Message from the President and CEO

In 2010, CBC/Radio-Canada began building the national public broadcaster of the future. The first phase, *Strategy 2015: Everyone, Every way*, calls for the public broadcaster to become more distinctly Canadian in its national programming, to be more present in all regions of the country and to act as a catalyst for the digital transformation of the media landscape. Despite economic uncertainty and reduced government funding, we are well on the way to achieving the goals *Strategy 2015* sets out.

However, in a broadcasting environment in which change is a constant, there is no straight road to success. To thrive in the face of reduced government funding, industry consolidation and shifts in technology and demographics, we need to continually adapt and innovate, transforming ourselves into a new kind of public broadcaster—one characterized by agility, responsiveness and focus. *Strategy 2015* is the first step in this transformation, and we are now planning for 2020 and beyond.

In the midst of the change all around us, one thing has remained constant: CBC/Radio-Canada has a mandate, spelled out in the *Broadcasting Act*, to deliver to Canadians a wide range of programs which inform, enlighten and entertain in the most effective and efficient ways possible. Today, that means using every available platform to give Canadians the content they want in whatever ways they want it.

Every week, 80% of Canadians consume our programming via one or more of our platforms.

Progress on *Strategy 2015*

This year, we continued to implement the three complementary pillars of *Strategy 2015*—national spaces, regional spaces and digital spaces.

Strategy 2015 commits us to giving Canadians more national programming that reflects the Canadian experience, and this year we launched a diverse range of new Canadian national programming across French and English Services, including *#bullyPROOF* and the *100th Anniversary of the Calgary Stampede*.

By creating national spaces, our diverse Canadian programming fosters nation building. It helps shape a shared national consciousness and identity, and contributes to the vision that Canadians have of themselves, of their society, of their culture and of their nation. Like everything we now do, our approach to national spaces spans all of the platforms we have available to us: television, radio, online, mobile.

The second pillar of *Strategy 2015* is regional spaces. We are committed to deepening our connection with all the regions of Canada and enhancing the ways we reflect them to the nation.

We have identified underserved areas and have created a plan to better serve them. We have strengthened our approach to minority language communities. We continue to uniquely serve the North and we are working on ways to improve our service to Aboriginal communities across the country. As with national spaces, we are doing all of this via a multi-platform approach.

For example, we identified Hamilton as an Ontario community underserved by local CBC/Radio-Canada services, but spectrum constraints ruled out traditional over-the-air radio. So we built a rich web presence specifically for

Hamilton residents, delivering local news and keeping Hamiltonians up to date on community events and activities. It has been a tremendous success.

Our Hamilton experience brings me to the third pillar of *Strategy 2015*—digital spaces. We intend to double our commitment to digital platforms by 2015—from 2.5 percent to 5 per cent of our media lines' budget. We have been pioneers of new platforms and services since the mid-1990s, and this doubling of our digital investment will accelerate that process. Our digital strategy began with simple websites and streaming video; then came podcasts and our digital and satellite radio networks Bande à part and CBC Radio 3. Now our offerings include Tou.tv, Radio-Canada's on-demand French web television site featuring programming from almost 50 national and international producers and broadcasters, and CBC Music and Espace.mu, our free digital music services featuring dozens of genre-based web radio stations. Naturally, we also engage with audiences through Facebook, Twitter and Youtube.

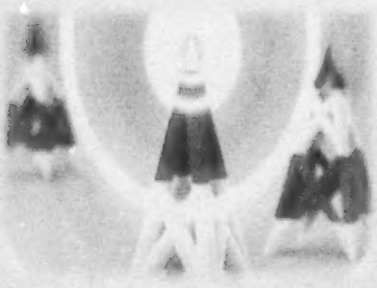
Enhancing our accountability to our key stakeholders, Canadians, is an important aspect of the fourth pillar of *Strategy 2015* and we have made substantial strides in this area in 2012. On December 8, 2012, CBC/Radio-Canada was awarded an "A" for its performance under Access to Information by the Information Commissioner in a report tabled in Parliament. In addition, CBC/Radio-Canada will be continuing to enhance its transparency by updating its Report Card twice a year.

Same strategy, different path

However, despite our many achievements and our success in delivering on the promises set out in *Strategy 2015*, CBC/Radio-Canada continues to face ongoing challenges.

On the financial front, we launched, in April 2012, a plan to address the reduction to our parliamentary appropriations of $115 million over three years, announced in *Federal Budget 2012*. Added to that $115 million are unavoidable cost increases and investments required to continue to transform ourselves, bringing our total budget challenge to $200 million over three years, plus a one-time cost of $25 million for severance. Our plan in response to this challenge is guided by the need to protect our *Strategy 2015* priorities and we are on track to achieve our targets.

To minimize the need for cost reductions, we will increase our self-generated revenues by $50 million over three years and increase our advertising revenues through a multiplatform strategy, innovative sales approaches and the introduction of four minutes of national advertising on CBC Radio 2 and Espace musique. We will also look to our real estate portfolio to generate more revenues, starting with leasing significant square footage in the Canadian Broadcasting Centre in Toronto and sell some of our buildings to become tenants in more efficient and less-costly premises, decreasing our real estate footprint by 800,000 square feet by 2017.



We also initiated a range of cost-reduction measures. On June 24, 2012, we discontinued shortwave transmission of Radio Canada International (RCI), transforming it into a web-only service broadcasting in French, English, Spanish, Arabic and Mandarin. This will save us close to $10 million in annual operating costs. On July 31, we shut down all of our 620 analogue television transmitters across the country, saving us an additional $10 million in annual operating costs. In November, the CRTC approved the sale of **bold**, one of our few specialty channels, for $10 million. Earlier in the year, we cancelled the development of three other specialty channels. We are also reducing the range of our programming in music, sports and news.

Unfortunately, a budget shortfall of this size has a major impact on our people as well as our services. Over the next three years, we will need to eliminate 650 full-time equivalent positions, resulting in one-time restructuring costs estimated at $25 million.

Loss of LPIF funding

Our financial situation became more challenging in July when the CRTC announced its decision to eliminate support for local television programming by discontinuing the Local Program Improvement Fund (LPIF), which provided $47 million to CBC/Radio-Canada in 2012–2013. In response to the ending of the LPIF, we are reducing our budget by an additional $28.4 million by 2013–2014.

However, our goal is to protect as much as possible the initiatives that the LPIF allowed us to implement. Regional programming is essential to our role as the national public broadcaster and improving our presence in communities across Canada is one of the top priorities of our *Strategy 2015*.

LPIF funding has allowed us to improve service for viewers in 20 markets that have a population of one million or less. It funded the addition of weekend news in most of our markets in both French and English and allowed us to add late night local news, extend our supper-hour news shows by 30 minutes in several markets and enhance our coverage of local events, sports and weather. These enhancements will be protected. But that means that other priorities will be affected.

We will produce fewer signature events, our large-scale, multi-platform programs of national interest, and we are cancelling plans for four new local CBC radio stations. We will also reduce resources allocated to our national network schedules, decrease regional contributions to CBC/Radio-Canada's French Services non-news programming, and trim our communications and promotional budgets. Over the next three years, we will identify further efficiencies.

An engaged future

On May 28, 2013, the CRTC released its decision to renew CBC/Radio-Canada's licences for a five-year term. The decision provides revenue opportunities on our music services, maintains CBC News Network's and RDI's mandatory distribution orders on digital basic and grants us programming flexibility across all of our regulated platforms. It endorses the Corporation's digital media strategy and supports the ongoing implementation of *Strategy 2015*. It also strongly recognizes the financial challenges facing the Corporation.

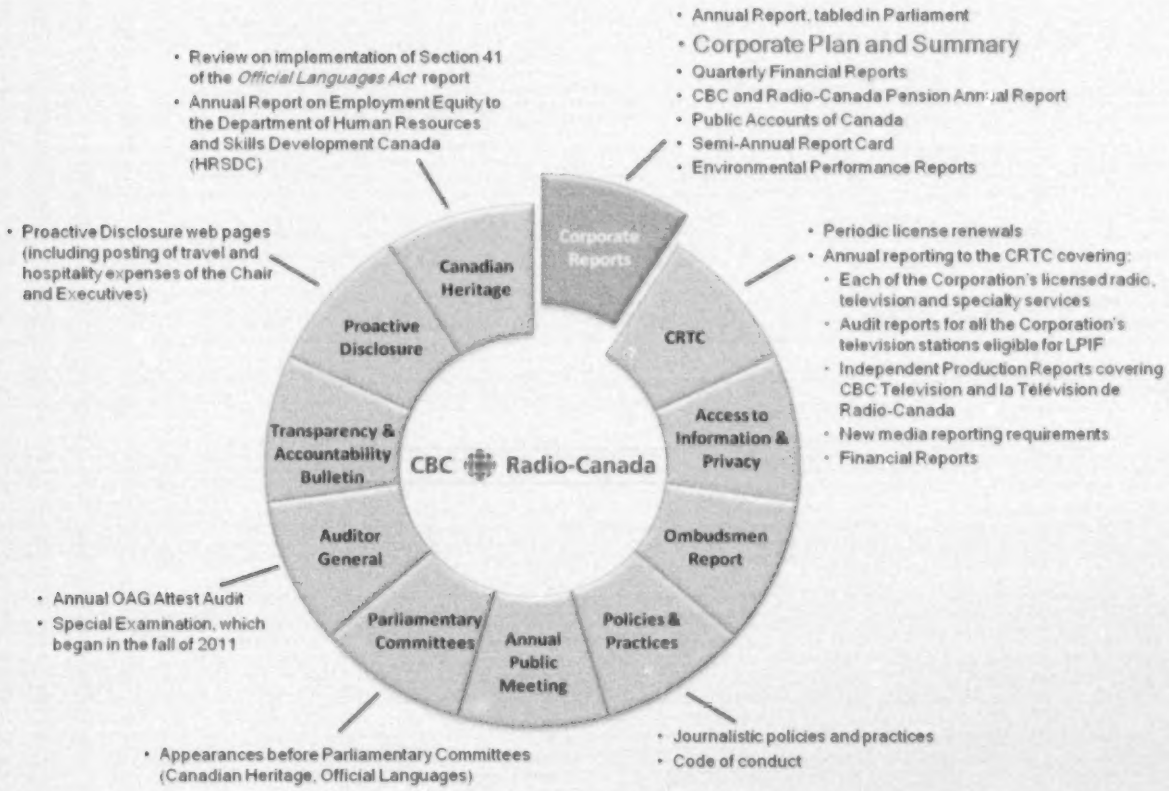
In October, I was reappointed for five years as President and CEO of CBC/Radio-Canada. I see this as an endorsement of our strategic direction, and I am confident that the next five years for CBC/Radio-Canada will continue to be a time of both tremendous challenges and accomplishments.

It is an exciting time in the broadcasting world. The future of media is participatory and collaborative; audiences want to share content, co-create and interact with it and we will be there for Canadians in this ever-changing mediascape, ensuring that CBC/Radio-Canada is the first place that Canadians think of when it comes to the Canadian experience, Canadian culture, and Canada's democratic life.

Hubert T. Lacroix
President and Chief Executive Officer

CBC/Radio-Canada's Commitment to Transparency and Accountability

As the national public broadcaster, CBC/Radio-Canada takes very seriously its obligation to be transparent and accountable to Canadians. To meet its responsibilities, the Corporation provides wide access on its corporate website to information about its activities and the way it manages public resources.


• Annual Report, tabled in Parliament
• Corporate Plan and Summary
• Quarterly Financial Reports
• CBC and Radio-Canada Pension Annual Report
• Public Accounts of Canada
• Semi-Annual Report Card
• Environmental Performance Reports
• Review on implementation of Section 41 of the Official Languages Act report
• Annual Report on Employment Equity to the Department of Human Resources and Skills Development Canada (HRSDC)
• Proactive Disclosure web pages (including posting of travel and hospitality expenses of the Chair and Executives)
• Periodic license renewals
• Annual reporting to the CRTC covering:
• Each of the Corporation's licensed radio, television and specialty services
• Audit reports for all the Corporation's television stations eligible for LPIF
• Independent Production Reports covering CBC Television and la Télévision de Radio-Canada
• New media reporting requirements
• Financial Reports
• Annual OAG Attest Audit
• Special Examination, which began in the fall of 2011
• Appearances before Parliamentary Committees (Canadian Heritage, Official Languages)
• Journalistic policies and practices
• Code of conduct
Corporate Reports
Canadian Heritage
Proactive Disclosure
Transparency & Accountability Bulletin
Auditor General
Parliamentary Committees
Annual Public Meeting
Policies & Practices
Ombudsmen Report
Access to Information & Privacy
CRTC
CBC Radio-Canada

CBC/Radio-Canada Services

CBC/Radio-Canada delivers a comprehensive range of radio, television, internet, mobile and satellite-based services, and is focused on developing and growing new platforms to give Canadians' better access to our content. Deeply rooted in the regions, we are the only domestic broadcaster to offer diverse regional and cultural perspectives in English, French and eight Aboriginal languages, as well as five languages for international audiences. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for and about Canadians, wherever and however they want it. We have more than 30 services, as follows:

Radio

CBC Radio One
News, current affairs, arts and culture via radio and SiriusXM Channel 169.

CBC Radio 2
Classical, jazz and popular music via radio and four online channels: Classical, Jazz, Canadian Songwriters and Canadian Composers.

CBC Radio 3
Home of Canadian indie music via the Internet, podcast and SiriusXM Channel 162.

CBC Music-Sonica
CBC Music Sonica features non-stop adult alternative bands from Canada and beyond, combining new rock sounds of today with a sprinkling of Canadian heritage artists via SiriusXM Channel 171.

Première Chaîne
News, current affairs, arts and culture

Première
News, current affairs and culture, in partnership with RCI and Radio France International, via SiriusXM Channel 160.

Chansons
100 per cent Francophone "chansons" music channel, playing the biggest Quebec and French artists from around the world via SiriusXM Channel 163.

Franco Country
100 per cent francophone and Canadian country-folk music. Listen to the biggest country hits, plus emerging artists from the new country folk scene via SiriusXM channel 166.

Television

CBC Television
News, information, sports, entertainment, documentaries and kids programming.

CBC News Network
Continuous news and information via television.

documentary
Canadian and international documentaries, films and series.

Télévision de Radio-Canada
News, current affairs, drama, culture, variety, sports and programming for children and youth.

Réseau de l'information de Radio-Canada
Continuous news, information and current affairs via television.

TV5MONDE
Programming featuring diverse cultures and perspectives from 10 broadcast partners, including Radio-Canada.

ARTV
Arts and entertainment: film, theatre, music, dance, visual arts, and more. By subscription.

Explora
Health, science, nature and the environment.

CBC News Express / RDI Express
Bilingual news and information service in five large Canadian airports, serving over 62 million travelers annually.

Digital

CBC.ca
News, information, streaming video and audio, sports highlights, web features and multimedia archives.

CBCnews.ca
Local, national and international breaking news and in-depth reporting, streaming audio and video, and web-only interactive features.

CBCsports.ca
Canadian and international breaking news and special reports from the world of sports, as well as access to live streaming of major events, including CBC's Hockey Night in Canada.

CBCmusic.ca
Free digital music service giving Canadians access to 50 web radio stations, 12 distinct genre-based music communities, CBC Radio 2 and CBC Radio 3, plus content from the most knowledgeable music personalities and programmers from across the country, hundreds of concerts, exclusive videos, playlists and more.

CBC Books
All of CBC's rich literary content across all platforms – audio, video and digital.

Radio-Canada.ca
News, information, streaming video and audio, and web features.

Tou.tv
On-demand web television, created by Radio-Canada, featuring programming from almost 50 national and international producers and broadcasters.

Espace.mu
Customized and mostly French-language music via the Internet in seven genres: pop, jazz, classical, hip-hop, rock, country-folk, world music and emerging music.

Radio Canada International (RCI)
Interactive platform for Canadian information and culture delivered in five languages via the Internet.

Others

CBC Records / Les disques SRC
A label recording Canadian musicians and releasing about eight CDs annually.

CBC Mobile Productions / Productions mobiles de Radio-Canada
Services for production and generating programming revenue by selling to the third-party market.

CBC Shop / Boutique Radio-Canada
On-site and online shop selling CBC/Radio-Canada audio and audio-visual recordings of programs, as well as related merchandise.

CBC/Radio-Canada Olympics
CBC/Radio-Canada is proud to have been awarded the rights as official broadcaster of the Olympic Games. In addition to upholding the tradition of top-tier Olympic broadcasting, there will be added emphasis on entertainment and programming across all platforms and genres, including television, radio, digital, news, unscripted programming, factual entertainment, kids programming and sports leading up to Sochi 2014 and Rio 2016.

Kids' CBC
100 per cent commercial-free, safe and entertaining content for children and youth.

CBC North
Linking Canada's northern communities via radio and television, in English, French and eight Aboriginal languages.

CBC/Radio-Canada's Stations

Our Strategic Context: The Environment in Which We Operate

CBC/Radio-Canada operates television, radio and online media services that are critical to the democratic and cultural life of Canadians. At a time of unprecedented change in broadcasting technology, consumer expectations and industry structure, public broadcasting has never been more important.

The Canadian Broadcasting System Continues to Evolve

Canada's broadcasting industry is a mixed private/public system comprising two main sectors: content (audio and video) and distribution (telco, cable and satellite). Both sectors have an important role to play.

The television sector includes two main types of services—conventional broadcasters and pay/specialty services. However, over-the-top television services (e.g. Netflix) are now starting to make a place for themselves. Although conventional broadcasters have lost viewing to pay/specialty services in recent years, they continue to be the cornerstone of the Canadian broadcasting system, providing the vast majority of original, first-run programming that airs in prime time. Yet, while playing an essential role, conventional broadcasters are limited to a single source of revenue—advertising. In 2010, the CRTC recognized this limitation and awarded private conventional television broadcasters the right to negotiate with the distributors a fee for the carriage of their signals. However, on December 13, 2012, the Supreme Court of Canada struck down this CRTC decision which means that conventional broadcasters will continue to be dependent on a single source of revenue—advertising, at a time when that source is being challenged by new competitors, such as online services. Meanwhile pay/specialty services continue to tap into two sources of revenue, advertising and subscription fees. Over-the-top television services have yet to have a discernable negative effect on conventional and specialty television services, but they are growing. Netflix is the largest player and it now reaches 21 per cent of Canadians since its launch in the Fall of 2010.

A wave of broadcasting consolidation in recent years has left that industry in Canada with a heavily concentrated ownership structure both horizontally and vertically and it has become even more consolidated with the CRTC's June 27, 2013 decision to approve BCE's bid to acquire Astral's television and radio services.

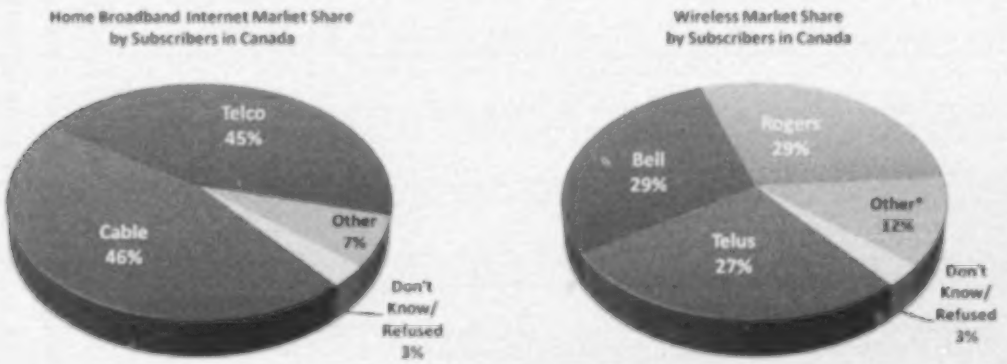
The private English television market has two dominant broadcasters: Bell Media, which controls CTV, and Shaw Media, which controls Global Television. Both companies also control a large number of specialty television services. BCE controlled stations will now account for 35.8 per cent of viewing to English-language television stations in Canada. With Rogers recent purchase of CJNT in Montreal, CITY-TV now becomes a third "national" private English television broadcaster. Québecor dominates virtually all facets of the francophone Quebec media market. However, with the approval by the CRTC of Bell Media's acquisition of Astral, it now becomes a formidable competitor in Quebec with a 22.6 per cent market share.

CBC/Radio-Canada retains a strong presence in the conventional television broadcasting market. However, it is under-developed in the specialty television market, with only three widely distributed services (CBC News Network, RDI and ARTV) and two digital services with limited distribution (*documentary* and Explora). The Corporation recently sold the specialty service **bold** to BlueAnt Media, and this sale has been approved by the CRTC and Treasury Board. CBC/Radio-Canada is also the only national broadcaster not integrated with a television distribution company.

Consolidation also extends to Canada's private radio industry, with only a handful of large players–Bell (including Astral's radio stations), Rogers, Cogeco and Corus. CBC/Radio-Canada operates Canada's only national radio services, with four networks (two in English and two in French) and 82 local stations.

The largest segment of the broadcasting industry, the distribution sector, has become even more important in Canada. According to Mediastats, there are over 11 million subscribers to television in Canada (i.e. cable, satellite, telco TV). As a result, all broadcasters, including CBC/Radio-Canada, are highly dependent on these distributors for carriage of their conventional services and for payment of a fair subscriber rate for the right to carry their specialty services. The distribution sector is also highly concentrated, with five companies (Rogers, Bell, Shaw, Vidéotron and Cogeco) accounting for some ninety per cent of all television subscribers. The television distribution sector has matured and over-the-top television alternatives through the internet have emerged, but the television distribution sector remains large and dominant.

In addition to dominating traditional broadcasting and distribution, Canada's conglomerates also have an upper hand in shaping the future of media. Virtually all of CBC/Radio-Canada's main English and French competitors are owned by companies also heavily involved in telecommunications, both wireline and wireless. Even though the Government of Canada has put considerable effort into increasing competition in the Internet and wireless sectors, cablecos and telecos still dominate these markets.



Source: MTM Fall 2012; *Other includes incumbent telcos (e.g. MTS, SaskTel) new facilities based entrants (i.e. Videotron, Wind, Mobilicity, Public Mobile) and resellers (e.g. PC Mobile, Sprint)

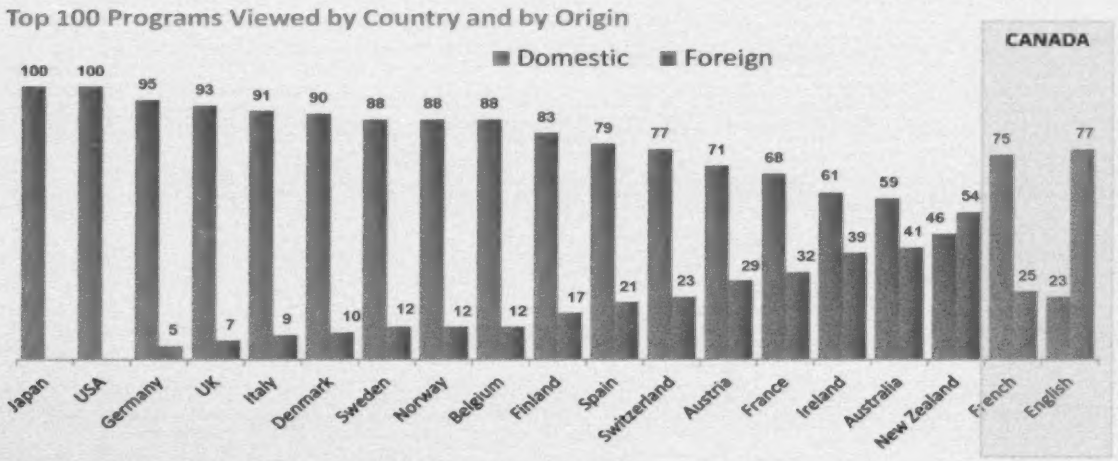
As in any other sector of the economy, increased concentration reduces competition, which in turn raises concerns about excessive prices, reduced service levels and unfair market advantage. With so much consolidation, the need for a strong public broadcaster to balance out the conglomerates' market power has never been so evident.

Original Content Faces a Significant Economic Disadvantage in Canada

Underlying the Canadian broadcasting system is a rarely reported fact: there is no economically sustainable free-market model that will support a significant home-grown Canadian broadcasting industry. If the broadcasting system was left to commercial interests alone, it might serve shareholders well, but it would not serve the interests of Canadians with a full breadth of Canadian programming that reflects national, regional and local realities. This has been the case since the beginning of broadcasting.

A rational, profit-seeking commercial broadcaster naturally seeks to generate the largest possible audience at the lowest possible cost usually by airing popular, revenue generating programming. In broadcasting, the easiest way to be profitable is to acquire popular content from a larger market, rather than take the risk of producing original content. The obvious example in Canada is to acquire popular television content from the U.S. rather than incurring the cost of producing original content. However, the principle also works on many other levels. For example, it is more economical to acquire international news from another broadcaster than to set up your own news bureau. Similarly, making one program to broadcast nationally is more financially attractive than making ten separate programs to serve audiences in ten different regions of the country.

In many countries around the world, including Canada, viewers prefer original programming targeted to them. Although this programming can be very popular, it is not for the most part profitable. Since programming made for viewers in another country can be acquired at a fraction of the cost of making original content, it can be more profitable than indigenous programming, even if it is not as popular. As a consequence, only the most popular, cost-effective domestic programs can compete with the high profitability of acquired programs.



Source: BBM Canada. EurodataTV Top 100 Programs (Non-News or Sports), 2012

The popularity of domestic programming is clear from a recent analysis of the viewing to domestic and foreign programs in 18 industrial countries, which found that domestic shows accounted for an average of 77 of the top 100 shows in each country. In large countries like the U.S., Japan, Germany and Italy, domestic programming was preferred almost exclusively, with virtually all of the top 100 being domestic programs. France and Spain are large markets that don't follow this pattern; over time, viewers have developed an affinity for acquired shows from the

much larger U.S. market. In smaller countries that share a history, language and/or proximity with a larger country, there is a tendency for the citizens of the smaller country to watch some of the television that originates from their larger more dominant neighbour (e.g., Australians watch British, New Zealanders watch Australian, Austrians watch German, Swiss watch French). French-speaking Canadians also prefer programs created in Canada. This is not true of the English Canadian market, however, where acquired U.S. programs dominate the top 100. Canadian programs account for only 20 of the top 100 most popular programs on English television in Canada.

As Canada's Public Broadcaster, CBC/Radio-Canada Is Driven To Do More

As Canada's national public broadcaster, CBC/Radio-Canada invests substantially more in Canadian content than the largest private sector competitors in both the English and French markets. This can be seen both in the prominence of Canadian programming in our schedules and in our spending on Canadian content, including programs of national interest, and our support for independent producers.

SCHEDULE	CBC Television	Top English Private Station	Télévision de Radio-Canada	Top French Private Station
Cancon, (6am-12am)	85%	57%	86%	70%
Cancon, Prime (7pm-11pm)	81%	28%	93%	68%

SPENDING	CBC Television	Top English Private Station	Télévision de Radio-Canada	Top French Private Station
Cancon	$432.8M	$242.2M	$300.8M	$119.3M
Programs of National Interest (PNI)	$113.0M	$20.4M	$89.7M	$38.0M
Independent Production	$95.0M	$17.3M	$96.3M	$57.7M
Expenditures on Foreign	$46.7M	$321.8M	$5.8M	$16.0M

Source: BBM (September 1, 2011 – August 31, 2012); 2011 CRTC Aggregate returns

CBC/Radio-Canada's Primary Challenge is Funding

CBC/Radio-Canada strives to serve Canadians and to support Canada's broadcasting industry with the resources available. The Corporation's main funding sources are parliamentary appropriations, advertising, the Local Program Improvement Fund (LPIF) and, indirectly, the Canada Media Fund (CMF).

All of these sources are under pressure:

- CBC/Radio-Canada continues to do its part to help the Canadian government reach its deficit reduction goals, as laid out in Budget 2012, by seeing its parliamentary appropriation reduced by $115 million over the next three years.
- CBC Television has been affected by a work stoppage in the National Hockey League (NHL); *Hockey Night in Canada* generates a significant portion of CBC Television's advertising revenues.
- The CRTC is phasing out the Local Program Improvement Fund (LPIF), which CBC/Radio-Canada relied on for local programming. It represented $47 million in 2012–2013.

Faced with these financial challenges, we have been forced to make cuts to programming that we believe will impact audiences and reduce our Canada Media Fund (CMF) envelopes.

To minimize programming cuts, we are committed to finding efficiencies and generating new revenues, such as our proposal to the CRTC to introduce advertising on CBC Radio 2 and Espace musique.

The Digital Century Demands Innovation

As Canadians adopt emerging platforms and technologies, staying at the cutting edge of change is a strategic priority for CBC/Radio-Canada.

Service/Device	Then (2000)	Now (2012–2013)
Weekly TV Viewing PCap	22.6 hours	27.7 hours
Residential TV Subscribers	8.8 million households	11.3 million households
No TV Service/Tuned-Out~	-	9%
Specialty/Pay TV Share of Total TV Viewing (All day, Persons 2+)	English: 39.7% French: 26.3%	English: 59.3% French: 49.2%
Weekly Radio Listening PCap	20.3 hours	16.9 hours
Broadband Penetration	7% of Canadians	83%
Internet Video (including Netflix)	-	73% of Canadians watch Internet video for 6.2 hours/week
Netflix	-	21% of Canadians watch Netflix for 6.9 hours/week
Satellite Radio	-	12% of Canadians listen to satellite radio for 7.5 hours/week
Internet Audio (streaming or podcasts)	-	57% of Canadians listen to Internet audio for 7.2 hours/week
Smartphones	-	56% of Canadians
Tablet Computers	-	31% of Canadians
Primary Source for News*	#1 Television (65%) #4 Internet (7%)	#1 Television (45%) #2 Internet (24%)

Source: BBM Canada, Mediastats, MTM and PwC

* Anglophones only for the year 2001; Canadians for the year 2012

~ No regular television service via a television subscription service (e.g. cable, satellite, IPTV from a telco) or free, off-air television

It is clear that television broadcasting will remain the most important way Canadians consume media for years to come, while radio broadcasting remains an extremely important medium more than 100 years after its inception. However, important shifts have occurred since the turn of the century:

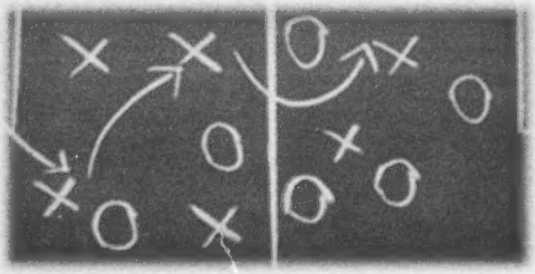
- Despite proclamations about the death of television, Canadians are watching more television;
- Television subscriptions (e.g. cable, satellite, IPTV from a telco) have grown and still remain the dominant method of television reception for 11.3 million of Canada's 13 million households;
- Over four in five Canadians have access to broadband Internet, up from 7 per cent in 2000;
- In 2000, our choices for music and audio programming were largely limited to radio or retail (e.g., CDs), but now a great number of Canadians have adopted and use satellite and Internet audio services;
- Internet video services didn't exist in 2000, and now Canadians spend significant time with Internet video and subscribe to Internet television services such as Netflix;
- As the Internet has become an option to watch television, some viewers have dropped regular television service altogether. Nielsen in the U.S. calls them "Zero TV Households". In Canada we call them "Tuned-Out" and they now represent nearly one-in-ten Canadians;
- In 2000, mobile phones were just for talking; now over two in five Canadians own smartphones, which offer a multitude of communication and media uses;
- The tablet computer didn't exist even three years ago and now nearly one in five Canadians own one; and

- Nearly one-quarter of Canadians use the Internet as their primary source for news, a massive change from 2000.

All of these changes in media technology and consumer preferences make it clear that the national public broadcaster must keep evolving to stay relevant.

Planning for our Future is Key

In *Strategy 2015: Everyone, Every way*, we committed to being more Canadian, more regional and more digital. As the discussion above illustrates, CBC/Radio-Canada's operating environment is characterized by constant change. However, with *Strategy 2015* as our road map and guide, we are addressing many of the challenges we are facing and seizing opportunities to find new ways to keep our commitment to Canadians. To ensure this momentum continues, we will soon begin discussions about our next long-term plan—*Beyond 2015*.



To continue to meet the needs of Canadians in an environment of relentless economic, technological and consumer shifts, the national public broadcaster needs to be nimble and innovative. It is for this reason, we asked the CRTC for a modern regulatory framework during our license renewal process. The CRTC's decision, which grants us this flexible framework, will enable us to implement our strategy across all of our platforms and allow us to evolve and progress with our audiences, with technology and with our changing environment.

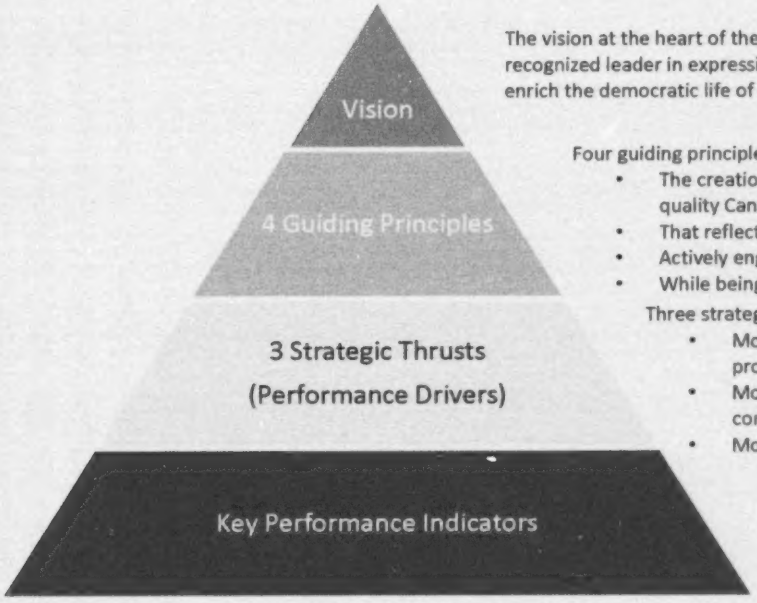
Strategy 2015: Everyone, Every way

2013–2014 marks Year 3 of the Corporation's five-year strategic plan, *Strategy 2015: Everyone, Every way*.

The plan includes three components:

- A CBC/Radio-Canada vision
- Four guiding principles supporting the vision
- Three strategic thrusts for achieving our objectives

The success of *Strategy 2015* will be measured against key strategic and operational indicators.



The vision at the heart of the strategic plan is to be the recognized leader in expressing Canadian culture and to enrich the democratic life of all Canadians.

Four guiding principles support our vision:

- The creation and delivery of original, innovative, high-quality Canadian content.
- That reflects and draws together all Canadians.
- Actively engaging audiences.
- While being cost-effective and accountable.

Three strategic thrusts drive our performance:

- More Distinctly Canadian: Network programming and national public spaces
- More Regional: Regional presence and community spaces
- More Digital: New platforms and digital spaces

Progress on the Implementation of *Strategy 2015* Initiatives in 2012–2013

Despite our ongoing challenges, CBC/Radio-Canada has continued to implement its 2015 objectives of providing all Canadians with more distinctly Canadian programming, more regional programming and access to content on new platforms. Further details of our performance and our progress since the launch of our *Strategy 2015* can be found on page 27 "Measuring our Performance".

French Services' Programming Strategies

Programming Strategies	2012–2013 Initiatives	Status		
		Completed	In Progress	Postponed
National & International News	Set up an in-house news agency as a hub for delivering continuous news across all platforms.		√	
	Optimize production methods.		√	
	Review news formats and time slots.		√	
Drama and entertainment	Maintain balanced, high-quality daytime and evening schedules.		√	
Music	Streamline music radio production methods.		√	
	Develop musical production better tailored to audience tastes.		√	
	Work with CBC to forge partnerships with record companies, and continue the development of the digital music offer.		√	
Talk radio	Streamline management and production methods.		√	
	Revamp existing and develop new radio content.		√	
Signature Events	Maintain our commitment to broadcasting 10 multiplatform signature events.	√		
Children's and Youth	Focus on developing, producing and acquiring children's and youth programs for the 2-8 age group.	√		
Sports	Re-engineer management approach to keep pace with changing production methods and delivery of content across platforms.		√	
	Assess sports properties to ensure consistent strategic and business alignment.		√	

French Services' Regional Strategies

Regional Strategies	2012–2013 Initiatives	Status		
		Completed	In Progress	Postponed
Regional Radio	Streamline production methods.		√	
	Optimize the role of news and local programming 7 days a week, as well as various regional slots throughout the day and week.		√	
Newscast Seven Days/ Week	Restructure work to enable the introduction of a daily regional presence across all platforms.		√	
	Give regional news a greater online and mobile presence.		√	
New Territories	Open the Eastern Quebec Multimedia Centre.	√		
	Continue to develop the content of the Rive Nord/Rive Sud sites to ensure that they meet the needs of their audiences.		√	

French Services' Digital Strategies

Digital Strategies	2012–2013 Initiatives	Status		
		Completed	In Progress	Postponed
Web	Put the user at the heart of the development of content for Radio-Canada.ca.		√	
	Encourage the development of new forms of digital drama and documentary production.		√	
Social Networks	Develop a content roll-out strategy for social networks.	√		
Mobility	Roll out new mobile apps and tablet offerings.	√		
	Enhance customization features on our mobiles sites, apps and tablet offerings.	√		
Specialty Channels	Secure subscriber revenue.	√		
	Develop and launch one new digital channel (Trésor).		√	
	Optimize the management of CBC/Radio-Canada's specialty channels.		√	

English Services' Programming Strategies

Programming Strategies	2012–2013 Initiatives	Status		
		Completed	In Progress	Postponed
News	Deliver "Breaking News" by deepening integration across all news platforms.		√	
	Continue commitment to quality independent journalism and programming, and a balance in the "Diversity of Voices".	√		
	Continue commitment to enterprise and original journalism as a point of differentiation.	√		
Scripted (Drama, Comedy, Documentary) & Unscripted (Factual Entertainment)	Increase the availability of Canadian programming to our Audiences where and when they want it.		√	
	Build on cultural leadership in Entertainment programming.	√		
	Pursue opportunities to partner on international co-productions.		√	
	Re-evaluate the Kids programming strategy without the launch of a specialty channel.		√	
Sports	Renew or acquire rights for sports properties consistent with the Sports Strategy.		√	
	Continue to seek appropriate partnerships for sports content.		√	
Current Affairs/Radio Smart Talk	Focus on extending content and growing audiences across platforms.	√		
	Optimize the organizational structure for new network talk structure.	√		

Programming Strategies (cont'd)	2012–2013 Initiatives	Status		
		Completed	In Progress	Postponed
Music	Build online and mobile audiences to the digital music service.		√	
	Identify appropriate strategic partners to grow services, working with Radio-Canada.		√	
	Implement new live music strategy with focus on unique events and video content.	√		
Signature Events	Continue the commitment to providing audiences with a minimum of 10 "signature event" multi-platform programming experiences.	√		
Diversity & Inclusion	Implement and continually develop the Inclusion and Diversity strategy.		√	

English Services' Regional Strategies

Regional Strategies	2012–2013 Initiatives	Status		
		Completed	In Progress	Postponed
Strengthening our connections	Continue to strengthen our commitment to offer the best mix of local, regionally representative and cross-regional expression on both our local and network programming.		√	
Reinvest in Current Locations	Reinvestment completed in 2011-12; continue investment on an on-going basis.	√		
Expansion in Current Locations	Expand Weekend programming on all platforms in Edmonton, Ottawa, Montreal and the Maritimes.	√		
	Expand Weekday Late Night news programs (to 30 minutes) in most markets.	√		
Expansion in New Locations	Launch as many of the stations previously announced (Kamloops, London, Waterloo region, Saskatoon), subject to funding constraints		√	

English Services' Digital Strategies

Digital Strategies	2012–2013 Initiatives	Status		
		Completed	In Progress	Postponed
Agility around emergent technology and behaviour	Continue the ongoing program development focus on multi-platform projects and digital extensions of new programs.		√	
	Continue to increase the amount of content delivered to mobile platforms.		√	
	Continue to increase the amount of syndication enabled content that is ready to be deployed to alternative and partner platforms.		√	
Regional Online	Improve and expand local digital services (online, on mobilized devices, etc).		√	
Specialty Channels	Sell the **bold** channel, as it is inconsistent with our strategic direction.	√		
	Develop strategy and criteria to enable partnership discussions to secure partnerships where viable.			√

Digital Strategies (cont'd)	2012–2013 Initiatives	Status		
		Completed	In Progress	Postponed
Genres Online	Continue to support growth across digital (mobile and social media) news platforms.		√	
	Execute online entertainment video plan in conjunction with the overall digital strategy.		√	
	Continue to support the relaunch of CBCSports.ca.	√		
	Continue to develop and enhance the CBC Music digital offer, in conjunction with Radio-Canada.		√	

2013–2014 Strategic Initiatives

We will continue to focus on achieving the objectives and serving the priorities of *Strategy 2015*, although we will be pacing the roll-out. Specific 2013–2014 initiatives in the areas of Canadian programming, the regions and digital platforms, are shown in the tables following.

French Services' Strategies

In 2013–2014, French Services plans to push forward with its *Everyone, Every way* strategy, taking into account the adjustments now required by the 2012 Federal Budget established last March and the CRTC's decision to eliminate the Local Programming Improvement Fund (LPIF).

The need to quickly adapt to a new financial framework has prompted Radio-Canada to review its operations and transform its production methods and management structures. These efforts are being made with the fundamental aim of continually improving our programming and maintaining the priorities outlined in the *Everyone, Every way* strategic plan. Radio-Canada is striving to become an increasingly agile, creative and innovative organization capable of generating revenue, while operating efficiently and responsibly. This year, it will actively pursue its transformation in close alignment with audience needs and expectations.

Transformation Strategies	2013–2014 Initiatives	Expected Outcomes
Brand Positioning	Roll out brand activities most likely to reflect the positioning, while ensuring consistency and flow among the strategy's three pillars: programs, regions, and platforms.	The development of a business model that takes into account reduced fixed costs and the need to optimize self-generated revenue.
	Increase the flexibility of our programming schedules, as well as the ability of our linear schedules to be dynamic and responsive to events, while encouraging audiences to explore our non-linear offering.	
	Reflect the country's regional and cultural diversity on our platforms, in our content, and in our narratives.	
Creativity, Collaboration and Agility	Tailor the television, radio, web and mobile offering to users' media consumption habits on the various platforms.	
	Maximize collaborative opportunities between Radio-Canada and CBC, no longer within the context of dedicated funds, so as to enrich content with national resonance.	
	Step up the transformation of our production methods and associated business models/structures based on multiplatform delivery of our content as well as efficiency and revenue imperatives.	
	Actively contribute to the bargaining structure review to help establish an industrial relations environment that is modern, agile, and suited to the public broadcaster's challenges in the 21st century.	
	Promote our employees' engagement in pursuing the transformation.	

Financial Dynamics	Stay on track to balance the budget by implementing the predetermined actions and adopting agile, tailored strategies if circumstances warrant.	
	Actively contribute to the MRC redevelopment project, taking a visionary approach to Radio-Canada's needs.	
	Optimize performance measurements by promoting timely collaboration within the organization, particularly when applying the new regulatory framework.	

Programming Strategies — French Services

Providing original, predominantly Canadian content and programs that stand out for their quality, innovativeness and relevance for target audiences is the cornerstone of Radio-Canada's programming strategy.

Programming Strategies	2013–2014 Initiatives	Expected Outcomes
National and International News	Accelerate the transformation of the offering and production methods for multiplatform and continuous news by reviewing the editorial approach and setting up a front-line desk.	The delivery of high-quality, innovative and distinctive Canadian programming and content that is relevant to our audiences. The development of a business model that takes into account reduced fixed costs and the need to optimize self-generated revenue.
	Evolve RDI's mission and schedule by making more effective use of live and field reporting.	
	Present a diversity of voices in our news programs.	
Drama and Entertainment	Maintain balanced, high-quality daytime and evening schedules within the new regulatory framework.	
	Explore new interactive formats both on television and emerging platforms.	
Music	Implement, in partnership with CBC, the multiplatform music strategy, in keeping with the unique character of each platform, the Radio-Canada brand, and the redefined regulatory framework.	
	Prepare the Espace musique network to accept national advertising.	
Talk Radio	Revisit program formats.	
	Continue harmonizing the on-air sound and messaging.	
Signature Events	Maintain our commitment to broadcasting multiplatform signature events, adjusting our offering in light of budget impacts.	
Children's and Youth	Adjust how we develop, produce and acquire children's and youth programs for the 2–8 age group, based on redefined financial and regulatory frameworks.	
Sports	Work closely with CBC to roll out Olympic coverage across all platforms, with the twofold objective of optimizing production costs and maximizing revenues.	
	Continue developing multiplatform news and in-depth reporting.	

Regional Strategies — French Services

Giving priority to local programming and innovation, Radio-Canada will continue to forge close ties with communities across the country.

Regional Strategies	2013–2014 Initiatives	Expected Outcomes
Regional Radio	Consolidate the changes to weekday morning shows aimed at putting greater focus on news.	A presence at the heart of communities across the country and the establishment of links among francophones that reflect their diversity, interests and culture. The development of a business model that takes into account reduced fixed costs and the need to optimize self-generated revenue.
	Make the needs of the various regional audiences central to the mission of drive-home and weekend programs.	
Local Programming	Improve the excitement, frequency, relevance of the digital offering seven days a week.	
	Make programming choices that increase the overall audience impact of regional content across all platforms.	
Value-Added Programming	Give priority to low-cost, high-impact one-off program production opportunities. Maintain or develop close relationships with producers, based on perceived common interests.	
	Increase regional contributions to RDI, ARTV and other specialty services.	
	Finish the Rive Sud / Rive Nord experiment and look at how it might be applied to other underserved regions and territories.	

Digital Strategies — French Services

Radio-Canada intends to develop and adapt its digital offering so that all Canadians can experience content in a way that is enriching, innovative, interactive and personalized.

Digital Strategies	2013–2014 Initiatives	Expected Outcomes
Web **Social Networks** **Mobile**	Make users central to the Radio-Canada.ca experience as part of the strategy for revamping the platform.	Digital content that meets the needs of Canadians, allows them to exchange ideas, and is personalized, enriching, entertaining and innovative. The development of a business model that takes into account reduced fixed costs and the need to optimize self-generated revenue.
	Design and launch Tou.tv 2.0 against the backdrop of an exploding catch-up offering and the development of complementary business models for advertising sales.	
	Encourage the development of new forms of digital drama and documentary production.	
	Design solutions for social television and radio.	
	Consolidate the app and mobile site portfolios, ensuring that they are aligned and consistent.	
Specialty Channels	Adapt the regional strategy for specialty channels, given the impact of CRTC decisions on production and access to English-language minority markets for ARTV.	
	Enhance the digital experience for specialty channels.	
	Build economies of scale for specialty channels.	

English Services' Strategies

English Services enters 2013–2014 confident in our ability to connect with and serve our audiences. We will provide those audiences with strong schedules which include new and returning shows. Our digital offers will add to the availability of our content and continue to build on our successes on new platforms. We will engage Canadians and reflect the country in our role as a modern Public Broadcaster.

Our activities and internal resources are aligned to deliver on the strategic objectives of *Strategy 2015*. We are constantly refining and re-focusing our content strategies to engage and grow audiences, to increase revenues, to enter partnerships which further our strategic goals - all while remaining focused on our priorities.

Programming Strategies — English Services

English services will continue to increase the availability of Canadian content to its audiences—where and when they want it. We will leverage our content on all platforms and we will engage audiences.

We will continue to be the home for Canadian entertainment programming, breaking news & enterprise journalism, the celebration of Canadian athletes (especially with the Sochi Olympic Games) and stellar audio content in the talk & music formats.

Programming Strategies	2013–2014 Initiatives	Expected Outcomes
News	Prioritize resources to high audience impact programming across all platforms.	Quality journalistic coverage that is credible and balanced. Increase Canadian Content available to and used by audiences, where and when they want it, where it makes sense. Canadian entertainment & documentary programming that reflects our national identity through the telling of Canadian stories. Programming and coverage that reflects and represents the cultural & regional diversity of modern Canadian society. Make decisions to minimize costs & drive revenue.
	Continue to focus on Enterprise Journalism: Invest in impact programming strategies and expand original journalism.	
	Grow and innovate in the digital space, in mobile and social media: launch new mobile properties around CBC News programming.	
	Build upon regional strengths, including the Local Service Extension.	
Television Entertainment–Scripted (Drama, Comedy, Documentary) & Unscripted (Factual Entertainment)	Continue with the long term commitment to increasing the availability of Canadian programming.	
	Refocus the prime time schedule: optimize spending by concentrating on priorities and key periods.	
	Develop and showcase a stable of "favourite", hit titles.	
	Prepare CBC for a "demand world" of audience choice.	
Sports	Renew *Hockey Night in Canada*'s property.	
	Acquire relevant "Canadian-centric" sports content that fits our Ice and Snow Strategy.	
	Enhance partnerships on key sports (eg. NHL, Olympics).	
	Olympics: Deliver a powerfully felt nation-building event that will embrace partnerships, cross platforms and be shared in multiple languages.	
Audio & Radio: Talk	Maintain record audiences on terrestrial radio while aggressively developing new audiences on digital platforms.	
	Target development of select programs–local and network–to share best practices, increase performance and increase relevance.	
	Invest in R&D around how audiences will consume audio content in the fu.ure.	
Audio & Radio: Music	Re-sign or renegotiate key music rights and talent agreements.	
	Continue development of CBC Radio 2 programming and schedule to increase audience share and integrate advertising.	
	Focus on expanding reach of CBC Music to acquire more audience.	
	Continue integration initiatives with French Services where it makes sense.	
Signature Events	Continue our commitment to providing audiences with signature events to the extent our financial situation permits, with multi-platform programming experiences.	
Diversity & Inclusion	Continue to measure our on-air reflection of diversity through ECHOS (our internally developed measurement system).	
	Continue leadership in the development of an Aboriginal Programming strategy.	

Regional Strategies — English Services

CBC will build upon the initiatives implemented and announced to better meet the regional needs of Canadians. This includes ensuring regional reflection on the network, strengthening regional connection in communities we currently serve and increasing service to audiences who are under-served by the local CBC content.

Regional Strategies	2013–2014 Initiatives	Expected Outcomes
Strengthening our connections	Continue to strengthen our commitment to the best mix of local, regionally representative and cross-regional expression.	Strengthen regional connection in communities currently served. Expand service to communities currently un-served with local content. Increase Canadian Content available to and used by audiences, where and when they want it, where it makes sense. Make decisions to minimize costs & drive revenue.
Expansion in Current Locations	Add incremental local television service in some markets	
Expansion in New Locations	Complete the implementation for the 4 traditional stations that were announced: Kamloops (in operation), Kitchener-Waterloo (anticipated launch: March 2013), Saskatoon (planned for 2013–14) and London (potentially for 2013–14.	
	Extend service to Canadians in other locations via a Digital Station model, when resources are available.	

Digital Strategies — English Services

To reach our goal of ensuring that our content is available whenever and wherever Canadians want it, we will invest in new technologies ensuring an appropriate level of support for the programming offered on all platforms. We will increase digital audience use, reach and growth. We will increase digital distribution and monetization of CBC content through strategic alliances and partnerships.

Digital Strategies	2013–2014 Initiatives	Expected Outcomes
Audience Engagement	Develop enhanced "Discovery and Navigation" experience on all CBC platforms	Increase Canadian Content available to and used by audiences, where and when they want it, where it makes sense. The delivery of high-quality, innovative and distinctive Canadian programming and content that is relevant to our audiences. Make decisions to minimize costs & drive revenue.
	Leverage Olympic Member Centre experience for use in other areas	
Distribution Development	Developing the next generation of Digital Infrastructure	
	Increase distribution of content across mobile devices	
Increased Monetization & Distribution	Increase digital distribution and monetization of CBC content through strategic alliances and partnerships	
Innovation and Workflow	Make digital decisions consistent with our overall content strategies	
	Increase operating efficiencies through improved workflow practices	

Measuring Our Performance

Measuring our success against *Strategy 2015: Everyone, Every way*

A central feature of *Strategy 2015* is the establishment of metrics to track and assess our performance. We have developed a report card that allows us to monitor how well, according to surveyed Canadians, our services fulfill the Corporation's mandate under the *Broadcasting Act*, and the degree to which our programming adheres to the guiding principles of our new plan. Below is the final report card for 2012–2013, Year 2 of the new strategy. It shows our progress in 2012–2013 compared to the previous year (2011–2012) and the benchmark year.

Report on French Services

How does French Services fulfill its mandate under the *Act*?

Radio-Canada's radio and television Programming...	Benchmark 2010-2011	Year 1 2011-2012	Year 2 2012-2013
	Average Scores (/10)	Average Scores (/10)	Average Scores (/10)
is informative	8.1	8.2	8.2
is enlightening	7.8	8.0	7.8
is entertaining	7.7	7.8	7.8
is available on new platforms	8.0	8.2	8.1

Metric definition: Average score is the average of the scores given by all respondants on a 10 point scales

Source: TNS Canadian Facts (1,200 Francophones per survey for a total of 2,400 Francophones per year).

The telephone surveys are conducted in November and March of each year.

In the second year of *Strategy 2015*, Radio de Radio-Canada and Télévision de Radio-Canada programming maintained results obtained in year one (2011–2012) and the benchmark year (2010–2011), with Francophones continuing to feel that CBC/Radio-Canada French Services is fulfilling its mandate under the 1991 *Broadcasting Act*. French Services received high scores for each aspect of its mandate that was measured, ranging from 7.8 (entertaining and enlightening) to 8.2 (informative).

How does French Services' programming fare against the guiding principles of *Strategy 2015*?

Radio-Canada's programming[1]...	Benchmark 2010-2011	Year 1 2011-2012	Year 2 2012-2013
	Average Scores (/10)	Average Scores (/10)	Average Scores (/10)
is high quality	8.2	8.4	8.1
is different from that offered on other channels	7.6	7.9	7.6
reflects regions of Canada	7.5	7.7	7.3
reflects my region	6.8	7.1	6.7
reflects my diversity	7.3	7.6	7.2
reflects my culture	7.4	7.6	7.3

Metric definition: Average score is the average of the scores given by all respondants on a 10 point scales.

1. Programming and content offered on any of our services i.e. Télévision de Radio-Canada, RDI, ARTV, Première Chaîne, Espace musique, *Radio-Canada.ca* and Tou.tv.

Source: TNS Canadian Facts (1,200 Francophones per survey for a total of 2,400 Francophones per year).

The telephone surveys are conducted in November and March of each year.

While Francophones continue to respond positively to initiatives French Services has announced or introduced since the launch of *Strategy 2015*, scores for each of the *Strategy 2015* metrics, measuring alignment to the "Guiding Principles", as shown in the table above declined in 2012–2013 compared to the previous year. 2012–2013 results were, however, on a par with those obtained in the benchmark year (2010–2011). Results in 2013–2014 will be closely monitored to determine whether the 2012–2013 results mark the start of a trend.

Report on English Services

How does English Services fulfill its mandate under the *Act*?

CBC's radio and television programming...	Benchmark 2010-2011	Year 1 2011-2012	Year 2 2012-2013
	Average Scores (/10)	Average Scores (/10)	Average Scores (/10)
is informative	7.8	7.9	7.9
is enlightening	7.4	7.5	7.5
is entertaining	7.2	7.4	7.3
is available on new platforms	8.2	8.2	8.2

Metric definition: Average score is the average of the scores given by all respondants on a 10 point scales.

Source: TNS Canadian Facts (1,200 Anglophones per survey for a total of 2,400 Anglophones per year).

The telephone surveys are conducted in November and March of each year.

During the second year of *Strategy 2015*, English Services' Radio and Television programming maintained the results it obtained in year one (2011–2012) and the benchmark year (2010–2011).

Anglophones continue to perceive that CBC/Radio-Canada's English Services is meeting its mandate under the 1991 *Broadcasting Act*, receiving its highest scores for providing content that is "available on new platforms" (8.2) and "informative" (7.9).

How does English Services' programming fare against the guiding principles of *Strategy 2015*?

CBC's programming[1]...	Benchmark 2010-2011	Year 1 2011-2012	Year 2 2012-2013
	Average Scores (/10)	Average Scores (/10)	Average Scores (/10)
is high quality	8.0	8.1	8.2
is different from that offered on other channels	7.2	7.5	7.4
reflects regions of Canada	7.9	8.0	8.0
reflects my region	6.1	6.3	6.5
reflects my diversity	7.4	7.7	7.6
reflects my culture	6.5	6.8	6.7

Metric definition: Average score is the average of the scores given by all respondants on a 10 point scales.

1. Programming and content offered on any of our services i.e. CBC Television, CBC News Network, **bold** (*benchmark and year 1 survey only*), *documentary*, CBC Radio One, CBC Radio 2 and *CBC.ca*.

Source: TNS Canadian Facts (1,200 Anglophones per survey for a total of 2,400 Anglophones per year).

The telephone surveys are conducted in November and March of each year.

The implementation of *Strategy 2015* continues to be perceived positively by Anglophones, with the gains attained by each *Strategy 2015* metric in year one (2011–2012) being maintained in 2012–2013. Scores for each *Strategy 2015* metric, measuring alignment to the "Guiding Principles" were higher in 2012–2013 compared to the benchmark year. The largest increase (7 per cent) was recorded by the "reflects my region" metric. Scores for the "reflects my region" metric have improved in each year since *Strategy 2015* was launched which indicates that the *Strategy 2015* initiatives introduced to-date are resonating with Canadians.

English and French Services Performance

In addition to monitoring the overall performance of our new plan, *Everyone, Every way*, key performance indicators have been developed for CBC/Radio-Canada's English and French Services. These indicators, taken from the Media's business plans, include results against targets for the current year and targets for the upcoming year.

French Services

Radio-Canada had an outstanding year in 2012–2013, even though it was impacted by the 2012 Federal Budget and the loss of LPIF funding. While pursuing the transformation of its production processes in order to reduce costs, Radio-Canada continued producing and broadcasting relevant and timely content. The programming offer was aligned with audience expectations, resulting in a number of indicators exceeding their established targets.

French Services		Past Performance		Actual Performance		Future
		Annual Results 2010-2011	Annual Results 2011-2012	Annual Targets 2012-2013	Annual Results 2012-2013	Annual Targets 2013-2014
Radio Networks						
Première Chaîne and Espace musique	Full-day audience share[1]	19.5%	17.8%	16.0%	18.5%	19.3%
Website[2-4]						
Radio-Canada.ca, Tou.tv, Bandeapart.fm, RCI.net, Espace.mu	Monthly average unique visitors[3]	2.0 million	2.1 million	2.1 million	2.2 million	2.3 million
Television						
Télévision de Radio-Canada	Prime-time audience share Fall/winter season[4]	19.9%	18.7%	18.2%	20.3%	19.5%
RDI, ARTV and Explora[4-7]	Full-day audience share[4]	4.5%	4.6%	4.7%[8]	5.4%	5.2%
Regional						
Première Chaîne	Morning shows audience share Mon-Fri 6-9 a.m.[1]	19.0%	17.0%	16.0%	17.7%	18.5%
Téléjournal 18h	Average viewer per minute Weekly average Mon-Fri 6-6:30 p.m. Fall/winter season[4]	317,000	291,000	290,000	347,000	350000
Regional web pages[4]	Monthly average unique visitors sep-Mar[3]	447,000	476,000	497,000	646,000	710000
Specialty Television Channels						
RDI	Subscribers	11.0 million	11.1 million[9]	11.2 million[10]	11.2 million	11.1 million
ARTV	Subscribers	2.1 million	2.1 million	2.1 million	2.0 million	2.0 million
Explora	Subscribers	n/a[7]	n/a[7]	n/a[7]	0.3 million	0.4 million
Revenue[8]						
Conventional, specialty, online		$224.9 million	$228.6 million[9]	$253.5 million	$252.8 million	$243.8 million

[1] Source: BBM Canada, diary, persons aged 12 years and older. 2011-2012 - Fall surveys only and for 2012-2013 and 2013-2014 Spring+Fall average.
[2] Source: Espace.mu was introduced on June 13, 2011. RCI Vision was introduced on June 20, 2011, and results are included with RCI.net.
[3] Source: comScore, persons aged 2 years and older.
[4] Source: BBM Canada, Personal People Meter (PPM), persons aged 2 years and older.
[5] Includes revenue from LPIF. Excludes Merchandizing division Revenues.
[6] In 2010-2011 and 2011-2012, measurement was based on the television season (i.e. Septembre-March), in 2012-2013 and 2013-2014, measurement is based on the fiscal year (April-March).
[7] Explora was launched at the end of March 2012; not included in results 2011-2012 thereof.
[8] In 2011-2012, measurement excluded ARTV and merchandising/licensing revenue which are incuded in targets for 2012-2013 and 2013-2014.
[9] In 2012-2013, we discovered an RDI subscriber calculation error impacting annual targets, results to date and annual results. We have revised the figures in the table above to reflect the corrected calculation for all related figures and periods presented.

Many platforms benefited from a highly active news scene. In 2012–2013, specialty channels captured a combined share of 5.4 per cent, mostly boosted by RDI, which recorded its best results in 10 years thanks to its live content.

Other key performance indicators benefiting from the high volume of compelling news stories in 2012–2013, included regional television newscasts (with an average viewership of 347,000 listeners against a target of 290,000) and the regional section of Radio-Canada.ca (with a monthly average of 646,000 unique visitors against a target of 497,000). The success of Première Chaîne's regional morning and drive-home shows, as well as the new network noon-hour program *Pas de Midi Sans Info*, contributed to the strong results obtained by la Radio de Radio-Canada (overall share of 18.5 per cent, compared with a target of 16.0 per cent).

Télévision de Radio-Canada enjoyed substantial success as well, finishing the year with a 20.3 per cent market share–almost 10 per cent higher than in the previous year. The success of the new prime time drama, *Unité 9*, accounted for nearly half of this increase. A strong television programming lineup also contributed to higher traffic on Radio-Canada's online sites, which averaged 2.2 million unique visitors each month throughout 2012–2013.

RDI achieved its target of 11.2 million subscribers, while ARTV finished the year slightly below target.

In 2012–2013, a year in which Radio-Canada faced a number of funding challenges, it generated $252.8 million in revenue, just under the established target of $253.5 million.

English Services

English services ability to achieve its 2012–2013 targets was impacted by three key factors: the 2012 Federal Budget, the NHL lockout and the loss of LPIF funding.

English Services		Past Performance		Actual Performance		Future
		Annual Results 2010-2011	Annual Results 2011-2012	Annual Targets 2012-2013	Annual Results 2012-2013	Annual Targets 2013-2014
Radio Networks						
CBC Radio One and CBC Radio 2	Full-day audience share[1]	14.7%	14.5%	14.3%	15.3%	14.6%
Website						
CBC.ca	Monthly average unique visitors, April-March[2]	5.9 million[3]	6.2 million[3]	6.5 million	6.3 million	6.5 million
Television						
CBC Television	Prime-time audience share Fall/winter season[3]	9.3%	9.6%	9.1%	8.8%	9.1%
CBC News Network[4]	Full-day audience share, April-March[3]	1.4%[7]	1.4%[7]	1.4%	1.3%	1.4%
Regional						
CBC Radio One morning shows	Average weekly hours tuned (Mon.-Fri.) Fall/winter season[3]	4.9 million	6.0 million	6.0 million	5.5 million	5.5 million
TV supper and late-night news	Average weekly hours tuned (Mon.-Fri.) Fall/winter season[3]	3.1 million	3.3 million	3.5 million	3.7 million	3.95 million
Regional web pages	Monthly average unique visitors, April-March[2]	0.90 million[3]	0.94 million[3]	0.975 million	0.971 million	0.995 million
Specialty Television Channels						
CBC News Network	Subscribers	11.0 million	11.3 million	11.4 million	11.3 million	11.2 million
documentary	Subscribers	2.4 million	2.6 million	2.6 million	2.7 million	2.7 million
Revenue[4]						
Conventional, specialty, online		$384.0 million[5]	$399.2 million	$399 million	$362 million	$400 million

[1] Source: BBM Canada, fall survey (diary), persons aged 12 years and older.
[2] Source: comScore, persons aged 2 years and older.
[3] Source: BBM Canada, Personal People Meter (PPM), persons aged 2 years and older.
[4] Revenue for *documentary* is counted at 100 per cent although CBC/Radio-Canada owns 82% per cent. Includes revenue from LPIF. In 2011-2012, measurement excluded merchandising/licensing revenue which is included in 2012-2013 and 2013-2014.
[5] Includes one-time FIFA World Cup Soccer revenues.
[6] In 2010–2011 and 2011–2012, measurement was based on a September–March basis; in 2012–2013 and 2013–2014, measurement is based on the fiscal year.
[7] In 2010–2011 and 2011–2012, measurement was based on the regular programming season; in 2012–2013 and 2013–2014, measurement is based on the fiscal year.

All three of these factors affected the performance of CBC Television during the 2012-2013 regular season. The result was that CBC Television's primetime regular season share fell below both its 2011–2012 performance and the 2012–2013 target.

A further consequence of the lack of *Hockey Night in Canada* was a sharp decline in revenue from television and digital advertising. This drop was somewhat offset by an increase in other types of revenues for English Services and from facilities rentals. Nevertheless, overall revenue was well below targeted levels.

CBC Radio's combined share of 15.3 percent surpassed the 2012–2013 target by a full share point. In fact, it was Radio One's highest ever Fall share and Radio 2's highest Fall share since the programming changes introduced in 2008.

Subscription levels for CBC News Network and *documentary* ended the year on or near target and according to plan.

CBC News Network's audience share ended the year almost at target, within a tenth of a share point.

While more persons visited CBC.ca each month throughout 2012–2013 compared to the previous year, the 2012–2013 target was not achieved. This was in large measure because of lower performance in the first quarter compared to the same period in 2011, when the federal election and the Vancouver Canucks' Stanley Cup playoff run were strong draws. By contrast, in the third and fourth quarters of 2012–2013, the monthly average number of unique visitors was up 8 per cent year over year.

Monthly usage of CBC's regional sites was up 5 percent year over year, practically meeting our target (within a half of one percent of meeting target). Similar to CBC.ca results, in the third and fourth quarters, the monthly average number of unique visitors was up 12 percent year over year.

Performance of regional television and radio programming was mixed. For Monday to Friday Supper Hour and Late Night local programming on CBC Television, the number of weekly hours viewed increased by 13 percent, and exceeded the targets which had already anticipated an increase in viewership because of the expanded duration of the Late Night program in many markets.

Radio morning show listening declined year over year, and therefore finished the year below our target of maintaining the 27 per cent increase experienced from 2010–2011 to 2011–2012. The 2012–2013 results were 15 percent higher than the results from two years ago.

Canadian Content Expectations and Results

Providing Canadian programming is key to *Strategy 2015*. Regulatory requirements for Canadian content on television are specified by the CRTC, which sets expectations of service for Télévision de Radio-Canada and CBC Television. For the broadcast day between 6:00 a.m. and 12:00 a.m., a minimum of 75 per cent Canadian content is expected. For the peak period of 7:00 p.m. to 11:00 p.m., a minimum of 80 per cent Canadian content is expected. Both measures are averaged over the entire broadcast year from September 1 to August 31. As shown in the table below, in the past two broadcast years, Télévision de Radio-Canada and CBC Television have exceeded the CRTC's Canadian content expectations, both over the whole day and in prime time. Increasing Canadian programming is key to our five-year strategic plan, *Strategy 2015*.

Canadian Content	Yearly Regulatory Expectations	Results Sept 1, 2009 to Aug 31 2010	Results Sep 1, 2010 to Aug 31 2011	Results Sep 1, 2011 to Aug 31 2012
Télévision de Radio-Canada				
Broadcast day (Mon-Sun, 6:00 a.m.–12:00 a.m.)	75%	82%	86%	86%
Prime time (Mon-Sun, 7:00–11:00 p.m.)	80%	88%	93%	93%
CBC Television				
Broadcast day (Mon-Sun, 6:00 a.m.–12:00 a.m.)	75%	85%	84%	85%
Prime time (Mon-Sun, 7:00–11:00 p.m.)	80%	82%	82%	81%

Risk Management and Key Risks Table

As Canada's national public broadcaster, CBC/Radio-Canada occupies an important place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, the Corporation must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. As a public broadcaster with a statutory mandate to serve all Canadians, CBC/Radio-Canada also faces unique public expectations, financial challenges and risks.

CBC/Radio-Canada's Risk Management Program is part of an enterprise-wide approach integrated into business processes. Responsibility for risk management is shared among CBC/Radio-Canada's Board of Directors, the Board's Audit Committee, the Senior Executive Team and operational units.

The Board oversees our key risks at a governing level, approves major policies and ensures that the processes and systems required to manage risks are in place.

The Audit Committee of the Board discharges its stewardship and oversight responsibilities over risk management by monitoring key risks, discussing their status with management at quarterly Audit Committee meetings and ensuring that management has programs for evaluating the effectiveness of internal controls.

The Senior Executive Team identifies and manages risks, reports on our key risks to the Audit Committee and the Board, recommends policies and oversees financial reporting and internal control systems.

Media and support business units initially identify and assess risks through the annual business plan process, and develop and execute detailed plans to manage risks. Risks are prioritized based on their potential impacts and their likelihood of occurring.

Internal Audit plans its audits in accordance with the results of the risk assessment process and provides assurance that major risks are covered on a rotational basis by the annual audit plan.

Key Risks	Risk Mitigation	Future Impact
1. Regulatory Issues		
A. Licence Renewal		
The CRTC decision was issued on May 28, 2013. The decision establishes our ability to generate new revenue by adding advertising and sponsorships to CBC Radio 2 and Espace musique. The decision is for a temporary period of three years and the maximum advertising minutes allowed of four minutes per hour are less than those we requested. This initiative is part of our plan to address the Budget 2012 funding reduction of $115 million.	Review impacts of conditions of licence and address as required.	We will need to request approval from CRTC to continue advertising on Radio 2 and Espace musique beyond August 31, 2016. Other budget measures will need to be implemented if radio advertising revenue targets cannot be achieved.
B. Music Rights, Royalties and Tariffs		
Renewal of key music rights deals with copyright holders may impact revenues and our service strategy.	Continue active and proactive relationship building with all music rights holders to renew on mutually acceptable terms.	Continue with identified strategies into 2013–2014.
Copyright collectives are seeking new or increased tariffs on music performing and music reproduction rights. Royalty payment methods must take into account that the business model is shifting toward multiplatform delivery of works.	Continue to negotiate with collectives.	
C. Terms of Trade with Independent Television Producers		
Negotiations on terms of trade (rights, contribution, other business terms) for CBC with Canadian Media Production Association (CMPA) and Radio-Canada with Association des Producteurs de Films et de Télévision du Québec (APFTQ) regarding independently produced programming continue into 2013–2014. The terms of trade will affect the cost of independent programs. The CRTC licence renewal decision has imposed a deadline of May 28, 2014 to finalise the negotiation of terms of trade contracts.	Continue negotiating the terms of trade contracts to benefit the interests of both CBC/Radio-Canada and independent producers.	Continue with identified strategies into 2013–2014.

Key Risks	Risk Mitigation	Future Impact
D. Canada Media Fund (CMF) There are two sources of risk: (1) CMF rule changes or changes to how the CMF allocates funds to broadcaster performance envelopes could result in narrower program rights and/or higher contributions required from CBC/Radio-Canada; and (2) the overall CMF pool is dependent on the overall profitability of Broadcast Distribution Undertakings (BDUs) that contribute up to 5 per cent of their gross revenues to the fund.	Proactively advance our position with the CMF, including participation in the CMF National Focus Group.	CBC/Radio-Canada's 2013–2014 CMF allocation is $7.6 million lower than last year's allocation, due to changes in allocation factors and a reduced overall CMF pool. Contingency plans have been implemented to offset the financial impact, but this will lead to reduced Canadian programming on our television schedule.
E. Bill C-461 (Reforms to Access and Privacy Laws) A private member's bill has been tabled in Parliament that would impact CBC/Radio-Canada. Bill C-461 includes two key elements: (1) An amendment to the *Privacy Act* that would remove privacy protections on individual salary information for those who earn more than a specified salary per year. The release of the exact salary of individuals could negatively impact the Corporation in a highly competitive business environment; and (2) An amendment to the *Access to Information Act* and the *Privacy Act* to modify the current protections for *"journalistic, creative or programming activities"* would introduce uncertainty around the rules governing access to our journalistic, creative and programming material.	Continue to share our views with the Standing Committee on Access to Information, Privacy and Ethics. Continue to produce and distribute the Transparency and Accountability Bulletin, which provides updates on progress we are making in managing Access to Information (ATI) requests. Continue to manage the information published on the corporate website's Proactive Disclosure section. Facilitate access to existing information on the corporate website. Continue to invest in improving the management and processing of ATI requests.	Develop, amend and/or implement processes to comply with any new regulatory requirements.
F. Channel Carriage CBC/Radio-Canada is the only major television broadcaster in Canada without distribution affiliations. There is a concern that carriage terms offered by Broadcast Distribution Undertakings (BDUs) will favour their own associated specialty services at the expense of our specialty services. Risks to the Corporation include BDUs dropping our existing television services that are not mandatory carriage, delaying the launch of new specialty services or decreased revenue from BDUs for carrying our specialty television services.	Strategic discussions with BDUs focusing on overall value of the programming services offered, and negotiation of long-term agreements with terms that protect or enhance current carriage and revenues.	Continue with identified strategies into 2013–2014.

Key Risks	Risk Mitigation	Future Impact
2. Renewal of NHL Professional Hockey Broadcast and Digital Rights		
CBC's broadcast and digital rights contract ends in June of 2014.	CBC is pursuing renewal negotiations for an NHL rights package.	Continue with identified strategies into 2013–2014.
3. Union Relations		
A. Section 18.1 Radio-Canada Union Consolidation		
A long-term strategy for more operational flexibility from our Radio-Canada unions would improve the working relationship between management and these unions and assist in the achievement of *Strategy 2015*.	Continue the process before the Canada Industrial Relations Board (CIRB) to review the existing structure of the French Services bargaining units with a view to consolidating the unions.	Hearings before the CIRB are continuing and a decision is expected in 2014 as to the bargaining structure.
B. Contract Expiries		
A number of collective agreements must be re-negotiated between 2013 and 2014. The successful negotiation of settlements with unions has important economic, brand and labour relations impacts.	Continue to reinforce business needs in terms of flexibility and ensure that collective bargaining reflects these needs. Involve unions in discussions relating to economic challenges and encourage input into managing risks. Ensure communications activities are identified and implemented with union leaders before launching business strategies and initiatives.	Identified strategies will continue into 2013–2014.

Key Risks	Risk Mitigation	Future Impact
C. Bill C-60 On June 26, Bill C-60 received Royal Assent. This omnibus bill includes proposals to change the collective bargaining process at Crown Corporations, including CBC/Radio-Canada. The proposals open the possibility that the Governor in Council directs Treasury Board to oversee and authorise the negotiating mandate of unionised employees as well as terms and conditions of employment of non-unionised staff.	Share our views with the Standing Committee on Finance Review and address the legislation, the actual legislation and order-in-council.	The implementation of Bill C-60 may impact negotiations with bargaining units, and may give rise to conflicts with the *Broadcasting Act*.
4. Workforce Challenges – Training and Empowering a Skilled Workforce The proper staff skill set is necessary to meet the transformation needs of *Strategy 2015*. The plan's three strategic thrusts (Programming, Regional, Digital) will require a major transformation in production methods, to ensure a smooth transition to a model that's more efficient, digital, and multiplatform. Managers and employees require skill set to adapt to an accelerated pace of change.	Leverage findings from Employee Survey to identify areas of development to enable transformation and strategic talent management. Develop and implement a change management strategy to increase the organization's and managers' capacity to lead and support change.	Identified strategies will continue into 2013–2014.
5. Infrastructure Replacements and Optimization Excess space and infrastructure affects operations and budgets.	We are accelerating our plan to reduce our overall real estate footprint. Continue with plan to reduce our overall real estate footprint by more than 800,000 square feet by 2017. In the shorter term, we will pursue the sale of some CBC/Radio-Canada-owned buildings, and shift from owner to tenant and look to lease our vacant space in the remaining buildings.	We have undertaken the next phase of our redevelopment initiative for our Montreal facility. Requests for Proposals for the Maison de Radio-Canada Project were issued to pre-qualified Proponents in June 2013.

Key Risks	Risk Mitigation	Future Impact
6. Budget Concerns A. Government Funding Federal Budget 2012 reduced CBC/Radio-Canada parliamentary appropriations by $115 million over three years. There is a risk that the initiatives identified to reduce costs and increase revenues will not achieve expected outcomes.	Continue to implement initiatives to reduce costs and increase revenues. Ongoing management and review of the initiative implementations to ensure expected outcomes are achieved.	Continue with identified strategies into 2013–2014.
B. Impact on Advertising Revenue Advertising revenue is influenced by a number of factors, including economic uncertainty, migration of ad revenue from conventional to specialty and digital services, program audience share and rating performance, competing advertising opportunities in the marketplace and disruption to programming rights agreements, such as the shortened 2012–2013 NHL season. Uncertain economic conditions compound the risks associated with the Corporation's plans to increase advertising revenue to offset some of the government funding reductions announced in Federal Budget 2012.	We are closely monitoring advertising revenue performance and have developed contingency plans.	Underachievement of advertising revenue targets may require further reduction of expenditures and changes to *Strategy 2015* implementation plans.

Financial Plan

Financial Overview

The Financial Overview in Appendix A presents the Corporation's financial picture for 2012–2013 through 2017–2018.

The balanced position presented for 2013–2014 to 2017–2018 in Appendix A is achieved by matching expenditures to expected resources.

The forecast takes into account government funding reductions of $115 million over three years, as announced in the 2012 Federal budget. The financial plan, approved by CBC/Radio-Canada's Board of Directors, will allow the Corporation to meet two key objectives: (i) maintain our capacity to fulfill our mandate under the *Broadcasting Act*, and (ii) continue to drive *Strategy 2015* by delivering high-quality Canadian programming, enhancing our regional presence and local impact, and investing more in digital platforms.

The measures that are being or have been implemented to manage the financial pressures can be grouped into five categories:

1. Increasing our revenues;
2. Transforming Radio-Canada International (RCI);
3. Accelerating the shutdown of our analogue transmitters;
4. Reducing costs and delivering our services differently; and
5. Slowing the pace of the *Strategy 2015* roll-out.

Increasing our revenues

On May 28, 2013, the CRTC announced its decision to allow limited advertising on CBC Radio 2 and Espace musique. We are currently assessing the impact of this decision.

CBC/Radio-Canada has recently entered into a leasing agreement with Allied Properties REIT for the leasing of space at the Toronto Broadcast Centre. We are looking to our real estate portfolio to generate more revenues as we seek to exit some buildings that we own to become tenants in more efficient and less-costly premises.

Transforming RCI

Shortwave transmission of RCI programs has been shut down and RCI now provides national and international audiences with content on the web in five languages (French, English, Spanish, Arabic and Mandarin).

Accelerated shutdown of analogue television transmitters

CBC/Radio-Canada ceased the operation of 620 analogue television transmitters on July 31, 2012. Over-the-air television transmission is now provided through 27 digital transmitters.

Reducing costs and delivering services differently

We continue to look at ways to reduce costs and deliver our services differently. To do this, we are looking at eliminating the things that do not get us closer to achieving the goals set out in *Strategy 2015*.

We also continue our priority of reducing the footprint of our real estate portfolio. We had an objective of reducing it by a minimum of 400,000 square feet by 2015 but are accelerating that pace, increasing the target to over 800,000 square feet by 2017. In the shorter term, we will shift from owner to tenant in a number of locations, and look to lease vacant space in our remaining buildings.

Pacing the *Strategy 2015* roll-out

Finally, *Strategy 2015* is being scaled back. We are still committed to the goals of becoming more distinctly Canadian, more regional, and more digital, which remain vital to the fulfillment of our role as Canada's public broadcaster in a rapidly changing environment. However, in light of our financial situation, moving as far or as fast on certain elements of our *Strategy 2015* plan will not be possible.

Loss of Local Programming Improvement Fund (LPIF)

We have also put in place plans to offset the loss of LPIF contributions by 2014. The decrease in LPIF contributions, from a high of $47.1 million in 2011, will be phased out over three years, with full elimination by September 2014. *Strategy 2015* has been adjusted to reflect the end of this funding while minimizing the impact on programming and protecting the strategy's core elements. Some of the LPIF funded improvements to services will be maintained. However, given the magnitude of the reduction, other priorities will be affected such as: English Services' local service extension strategy will be scaled back, the cross-cultural programming fund will be eliminated and French Services' non-news programming in the regions will be reduced.

Material Risks to Financial Plan and Outlook

The plan to meet CBC/Radio-Canada's financial challenges will be closely monitored and adjusted as required as it is being implemented over a three-year period. Its success will heavily depend on the strength of the advertising market and on our overall revenue performance.

The plan reflects the CRTC's decision to allow CBC/Radio-Canada to include advertising on both CBC Radio 2 and Espace musique to a maximum of four minutes per hour for the next three years. The financial plan assumes that the CRTC will extend this permission beyond the three-year period.

The plan also assumes that salary inflation funding from government will resume in 2013–2014 following the three-year funding freeze.

Borrowing Plan

The Broadcasting Act, Section 46.1, confers on CBC/Radio-Canada the authority to borrow up to $220 million by any means, or such greater amount as may be authorized by Parliament, subject to the approval of the Minister of Finance; Section 54(3.1) of the Act requires that the Corporation's borrowing plan be included in its corporate plan for the approval of the Minister of Finance.

When the Corporation sold long-term receivables as reported in the 2010–2011 Corporate Plan, it provided a guarantee to the investors in order to obtain the best possible value for the sale. This guarantee was deemed to be borrowing.

In accordance with the terms of the approval from the Minister of Finance for this borrowing authority, CBC/Radio-Canada hereby provides a status report showing the outstanding amounts against the borrowing authority:

Total borrowing authority	$220,000,000
Authority used as at March 31, 2013	
Guarantee on long-term receivables	$(164,577,000)
Remaining authority	$55,423,000

Pursuant to the provisions of section 46.1(1) and 54(3.1) of the Broadcasting Act, the Minister of Finance approved in principle the authority to borrow money not exceeding $25 million in 2013–2014. CBC/Radio-Canada will submit specific borrowing proposals as required by the Minister of Finance for approval.

APPENDIX A—Financial Overview[1]

	2012–2013	Projection 2013–2014	Projection 2014–2015	Projection 2015–2016	Projection 2016–2017	Projection 2017–2018
SOURCES OF INCOME						
Operating appropriation	967,284 [10]	966,463 [11]	965,579 [11]	909,627 [11]	908,602 [11]	907,498 [11]
Additional funding for programming initiatives [2]	60,000	60,000	60,000			
Government funding reduction as per 2012 Federal Budget	(27,800)	(69,550)	(115,000)			
Net Appropriation	**999,484**	**956,913**	**910,579**	**909,627**	**908,602**	**907,498**
Amortization of deferred capital funding and working capital funding [3]	155,366	124,000	124,000	124,000	124,000	124,000
Advertising [4]	330,410	485,216	425,673	443,514	528,567	456,920
Financing and other income [5]	278,149	262,044	289,127	272,780	276,793	279,544
Local Programming Improvement Fund (LPIF) [6]	37,506	22,197	6,471	-	-	-
TOTAL SOURCES OF INCOME	**1,800,915**	**1,850,370**	**1,735,850**	**1,749,921**	**1,837,962**	**1,767,962**
EXPENDITURES						
Television, radio and new media services [7]	1,630,303	1,745,519	1,631,607	1,645,857	1,734,001	1,664,031
Transmission, distribution and collection	105,992	64,265	65,229	66,207	67,200	68,208
Corporate Management	10,391	10,183	9,979	10,129	10,281	10,435
Finance costs	31,836	30,403	29,035	27,728	26,480	25,288
TOTAL EXPENDITURES	**1,778,522**	**1,850,370**	**1,735,850**	**1,749,921**	**1,837,962**	**1,767,962**
NON-OPERATING ITEMS						
Net gain/(loss) on disposal of property and equipment and specialty channel **bold** [8]	19,499					
TOTAL NON-OPERATING ITEMS	**19,499**	-	-	-	-	-
NET POSITION [9]	**41,892**	-	-	-	-	-

(1) Results are based on International Financial Reporting Standard (IFRS) and exclude Other Comprehensive Income items such as non-cash actuarial pension adjustments. Forecast assumes the NHL rights are renewed in 2014.

(2) "One-time" funding for programming initiatives ($60 million), received from government since 2001, was eliminated as part of the funding reduction announced in the 2012 Federal budget.

(3) Parliamentary appropriations received for capital expenditures are recognised on the same basis and over the same period as the amortization of the capital assets purchased with the funds. The capital budget is discussed in more detail in Appendix B.

(4) Reflects advertising revenues anticipated from the February 2014 Winter and August 2016 Summer Olympic Games.

(5) Includes revenues from Specialty Services (CBC News Network, RDI, **bold** up to 2012-2013, *documentary*, ARTV and Explora) and other revenues.

(6) The CRTC announced on July 18, 2012 that LPIF funding will be phased out by September 1, 2014 .

(7) Expenditures (including amortization of property, equipment and intangibles) related to CBC/Radio-Canada's main services and Specialty Services. Reflects expenditures related to the February 2014 Winter and August 2016 Summer Olympic Games.

(8) Includes the net profit from the sale of surplus transmitter sites in Edmonton and Calgary.

(9) Reflects the net results before Other Comprehensive Income or Loss. A balanced net position is assumed for future years.

(10) Reflects the salary inflation funding freeze announced by the Federal government in the 2010 Budget.

(11) Salary inflation funding increases from Treasury Board have not yet been announced for fiscal years 2013–2014 to 2017–2018. It is assumed that salary inflation funding received will match the actual increase in salary expenditures. The small reductions in Operating Appropriations in future years reflect the annual transfer to the Capital Appropriation for bond payments and do not represent a further reduction in government funding.

APPENDIX B—Capital Budget

CBC/Radio-Canada is highly dependent on technology and technology based assets in the production and delivery of its various services. In addition, the Corporation operates one of the world's largest broadcast transmission and distribution systems with 529 transmission sites located throughout Canada (284 of these sites are owned with the remaining 245 sites leased). The Corporation also manages a real estate portfolio of more than 4.3 million square feet, including 24 owned buildings and 67 leased properties in locations across Canada. In total, the Corporation employs $2.2 billion (cost) of assets for its operations.

Accordingly, the majority of capital spending in any given year is used by CBC/Radio-Canada to maintain its assets, address obsolescence and undertake strategic projects. In all instances, the Corporation's capital spending plan supports the attainment of CBC/Radio-Canada priorities and strategic initiatives as outlined in its Corporate Plan submission.

Capital assets are essential to the production and delivery of CBC/Radio-Canada services. The Corporation is committed to ensuring that these assets are acquired, managed, and eventually disposed of in the most strategic and cost-effective manner possible. Achieving this goal in today's world of rapid technological change, shifting demographics and fast-evolving economic realities calls for new ideas and approaches. CBC/Radio-Canada challenges itself to continually apply fresh solutions to its capital asset challenges.

Capital Governance and Process

To ensure that capital investments are implemented strategically and within available resource constraints, the Corporation maintains detail project planning over a 5-year planning horizon. Consequently from one year to the next, most changes in the capital plan typically represent refinements to project estimates or shifts in the timing for project implementation between fiscal periods.

The management framework around capital investments is tightly integrated among three management committees:

- **Capital Executive Team**—Responsible for strategic planning and governance of the overall capital process.
- **Technology Strategy Board**—Responsible for the development and implementation of technology-based strategies.
- **Capital Round Table**—Responsible for the development, execution and management of an integrated corporation-wide project plan that responds to priorities within available resources.

In addition, the Real Estate Committee, Audit Committee and full Board of Directors exercise their governance on Capital matters.

CBC/Radio-Canada's capital process is based on industry best practices for project management and project portfolio management. As part of this process, all projects are rationalized and approved based on submission of a business case which includes an in-depth financial analysis and detailed cost estimate. Tools and templates employed in the Capital process follow industry best practices.

The volume and size of individual projects can vary from year-to-year. On average, there are some 300 projects in any single year with nearly half of the projects running over two or more years. For projects where return on investment, net present value or payback analysis is required, these calculations are part of the justification and

included in the business case. For other types of projects, the justification for investment is based on legal and regulatory requirements or mission critical investments to maintain operations where assets have reached end-of-life and are at risk of failure.

The Corporation continually strives to improve its practices in the management of capital. In this respect, the Audit Committee of the Board requested that the Corporation conduct a review of our capital processes relative to industry best practices. The review, carried out in collaboration with Internal Audit, concluded that overall, the Corporation's processes were well aligned with best practices. Areas for further improvement were identified and recommendations were provided which management has and continues to act upon.

Context for the Capital Investment Plan

The Corporation is in a period of convergence of pressures resulting from technological change, refresh of core business assets and an aging infrastructure. Several of the corporation's larger capital challenges are highlighted below:

Methods of Production and Delivery of Service

The broadcast industry assets employed in the production chain for radio and television are increasingly moving towards integrated solutions and computer and software based tools. These tools demand much faster refresh rates than traditional assets of less than a decade ago. At the same time, high definition television production technology will be implemented as related assets come up for normal refresh in the production chain. In addition, new media such as internet streaming and mobile device viewing and listening will require further investments as this distribution means continues to grow.

Real Estate Strategy

Representing 32 per cent of the existing $2.2 billion asset base, the Corporation has developed a strategy to optimize management of its real estate facilities. The real estate asset base is aging and has a growing maintenance deficit. The key goals of the strategy are to reduce operational costs, transfer real estate risk, and maximize proceeds from the portfolio. The target is to reduce the real estate footprint by 800,000 square feet by 2017.

The Corporation will also vacate and sell owned facilities and move into leased facilities where appropriate.

Three large projects are underway: On June 8th, 2012, the Corporation received approval by the Governor in Council for a lease with Allied Properties REIT for approximately 168,000 square feet in the Canadian Broadcasting Centre. On October 18th, 2012, the Corporation received approval by the Governor in Council for a lease with Eurofax Properties Inc. for approximately 45,000 square feet in Halifax, Nova Scotia. The third is the Maison Radio-Canada project (site redevelopment in Montreal) which is currently in the planning stages.

Capital Plan Overview

With a base capital budget that has remained unchanged since the 1990s, innovative solutions have necessarily needed to be employed to address funding challenges for priority capital investments. The means by which the Corporation has managed its capital pressures is outlined in the Capital Overview section on page 47.

Most projects over the next 5 years (60 per cent) fall below $500K in value. Larger projects that are greater than $1 million represent 30 per cent of the portfolio, with the remaining 10 per cent falling between $0.5 million and $1 million.

The Corporation's capital investment plan is an integral part of the long-term strategy. While the majority of planned projects already support the strategy by ensuring that our production, distribution and other facilities are able to meet our operational requirements, annual updates will be necessary to accommodate new investments and unforeseen priorities that will be defined as the strategy is implemented over the next 5 years.

Five-year Capital Investment Plan and 2013–2014 Capital Budget

Subsection 54(4) of the *Broadcasting Act* requires that CBC/Radio-Canada submit its capital budget to the Minister of Canadian Heritage in its Corporate Plan and that the Capital Budget for the upcoming year be submitted to the Treasury Board for approval. As such, the Corporation's 2013–2014 Capital Budget was approved on March 28th, 2013, as presented. A summary of the Capital Budget follows.

Sources & Use of Funds ($000s)

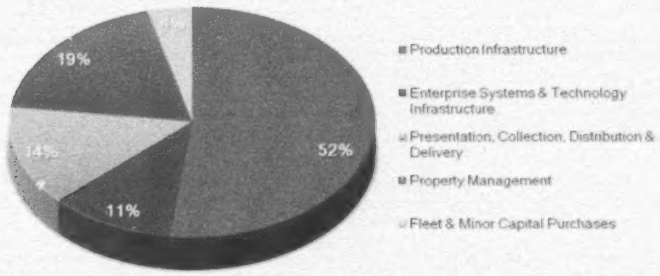
AVAILABLE CAPITAL FUNDING	Prior Year	Budget	Forecast			
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Base Capital Appropriation	92,331	92,331	92,331	92,331	92,331	92,331
Capital Leases	21,200	22,898	24,372	25,752	25,958	25,228
Funding from self-generated revenue	22,787	15,194	14,852	18,599	12,085	5,825
Funding from sales of fixed assets	17,855	2,036	3,000	0	0	0
TOTAL AVAILABLE CAPITAL FUNDING	154,173	132,459	134,855	136,682	130,274	123,384

CAPITAL INVESTMENT PLAN	Prior Year	Budget	Forecast			
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Production Infrastructure						
Television Services	59,694	53,453	43,480	58,806	51,171	57,711
Radio Services	9,845	6,609	9,600	9,450	9,130	8,740
Common Media Initiatives	3,425	4,750	5,074	1,300	0	0
English News Network	2,600	2,000	2,500	2,500	2,500	2,500
French News Network	0	2,000	2,000	2,000	2,000	2,000
Enterprise Systems & Technology Infrastructure	20,941	18,823	16,525	13,365	9,640	12,100
Presentation, Collection, Distribution & Delivery	21,075	17,826	20,289	19,382	24,971	12,588
Presentation, Collection, Distribution & Delivery - DTV	7,041	627	479	0	0	0
Property Management	24,117	21,336	29,373	24,444	25,527	22,311
Fleet and Minor Capital Purchases	5,435	5,035	5,235	5,435	5,435	5,435
TOTAL CAPITAL INVESTMENT PLAN	154,173	132,459	134,555	136,682	130,374	123,384

2013–2014 Budget

In 2013–2014, the total capital spending base is planned to be $132.5 million, inclusive of all funding sources but excluding carry forward of funds from 2012–2013 which cannot be estimated at this time.

5-Year Capital Investment Plan



Highlights on major initiatives over next 3 years

Following are highlights of the larger and more strategic initiatives in the Capital plan over the next three years. Some of these initiatives are currently underway following previous years' approvals.

Production Infrastructure

- Continue investments to replace all Sony SX field camera equipment by 2015–2016 with an HD ready model. Existing cameras are no longer manufactured and will not be supported after 2012.
- Continue to replace obsolete mission critical equipment with new digital standards in radio and television, with significant investments in La Maison de Radio-Canada in Montreal and the Toronto Broadcast Centre.
- Investments in infrastructure and system for improving program production workflow and content collaboration across all platforms.
- Continue the plan to refresh many English and French regional television news studios, including upgrades to High Definition.
- Investments to improve our local services in radio through service extension and production facility improvements.
- Investments in a Media Asset Management project.

Enterprise Systems & Technology Infrastructure

- Critical infrastructure and upgrades (storage, network connectivity, security and servers).
- Update various media and other business applications.
- Migrate aging phone system to less costly IP based telephony solution.

Presentation, Collection, Distribution & Delivery

- Complete the upgrade of the English Television Network operations in Toronto.

- Transmitter and tower investments to improve coverage of radio services, maintain infrastructure upgrades to comply with codes and regulations, and implement public alerting system.
- Telesat Capital Lease based on International Financial Reporting Standards.

Property Management

- Capital portion of Toronto Broadcast Centre long term lease payments (average $11 million per year).
- Building maintenance projects and changes required to comply with building codes, regulations, health and safety, and replacement of obsolete and failing assets.
- Relocation of CBC staff within the Toronto Broadcast centre, freeing up space which has been leased to long term tenant Allied.

Fleet & Minor Capital Purchases

- Annual refresh of the corporation vehicle fleet.
- Minor Capital purchases to address unforeseen and urgent operational equipment requirements.

Capital Overview

The capital budget in Appendix B presents the Corporation's capital investment plan for 2012–2013 through 2017–2018.

The Corporation has a base capital budget of approximately $100 million annually (including self-funded investments: such as specialty services) which is required to respond to $2.2 billion (cost) of assets in operations.

The vast majority of assets in our business environment are replaced on cycles that are less than 15 years. A big part of this represents technology-based assets in our production chain for radio and television. More and more, these tools have migrated into the world of computer-based hardware and software where vendor-declared obsolescence is below 8 years.

To manage this reality, the Corporation has employed several tactics:

- Assets in all areas of our operations have been pushed beyond industry standard replacement cycles.
- Contingency planning and regular maintenance ensures that risk to critical operations is mitigated.
- Decommissioned assets are aggressively recycled for parts to ensure that other assets in operations can be maintained. Parts warehouses and inventories are maintained for this purpose.
- With less critical assets in some operations, we accept that there may be failure before we respond.
- Collaboration across all media lines to ensure integrated solutions, common technology and lowest Total Cost of Operations (TCO).
- Capital or operating leases for investments that have the ability to generate a revenue stream or demonstrate a business case for this means of financing, and sale of surplus assets to generate capital funds.
- In-depth review of the Corporation's Real Estate Portfolio with the intent to reduce cost and extract value.
- As a last resort, the Corporation has also supplemented its capital budget to address extraordinary pressures on capital investment priorities. These funds typically come from self-generated revenues.

At the same time, we continually monitor changes in various safety codes and regulations to which our capital plans must respond. This is a priority without compromise.

APPENDIX C—CBC/Radio-Canada's Mandate Requirements of the 1991 *Broadcasting Act*

Corporate Mandate

The Canadian Broadcasting Corporation/Société Radio-Canada ("CBC/Radio-Canada" or the "Corporation") was established by an *Act* of Parliament in 1936. The Corporation's current legislative mandate, corporate powers and governance mechanisms are set out in the 1991 *Broadcasting Act* (the *Act*). Each year, pursuant to section 54 of the *Act*, the Corporation must submit to the Minister of Canadian Heritage a Corporate Plan regarding the businesses and activities, including investments, of the Corporation and its subsidiaries, if any.

The Role of the Corporation in the Canadian Broadcasting System

Section 3 of the *Act* sets out the broadcasting policy for Canada and includes provisions specifically addressing the role of the Corporation in the Canadian broadcasting system. In particular, paragraphs 3(1)(l) and (m) state that:

(l) The Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains;

(m) The programming provided by the Corporation should:

i. Be predominantly and distinctively Canadian;

ii. Reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;

iii. Actively contribute to the flow and exchange of cultural expression;

iv. Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities;

v. Strive to be of equivalent quality in English and French;

vi. Contribute to shared national consciousness and identity;

vii. Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and,

viii. Reflect the multicultural and multiracial nature of Canada.

In addition to this domestic mandate, CBC/Radio-Canada is also required by section 46(2) of the *Act* to provide an international service that must comply with license conditions and regulations issued by the Canadian Radio-television and Telecommunications Commission (CRTC), as well as any directions issued by the Governor in Council.

No other Canadian broadcaster — commercial or public — has the same breadth of mandate or the same scale or scope of operations as CBC/Radio-Canada.

Corporate Powers

Part III of the *Act* sets out the basic powers of the Corporation.

A central feature of the regime established by Part III is the arm's length relationship between CBC/Radio-Canada and the Government with respect to the Corporation's broadcasting activities. Section 35(2) specifically states that Part III "shall be interpreted and applied so as to protect and enhance the freedom of expression and the journalistic, creative and programming independence enjoyed by the Corporation in the pursuit of its objects and in

the exercise of its powers." This requirement is repeated in section 46(5) (in the context of the Corporation's objects and powers) and again in section 52(1) (in the context of certain financial reporting provisions).

The head office of the Corporation is required by section 50(1) of the *Act* to be located in the National Capital Region. The powers of the Corporation are spelled out in section 46(1). Section 46(1) reiterates that CBC/Radio-Canada's mandate is to provide the programming contemplated by paragraphs 3(1)(l) and (m) and then identifies a list of powers, such as the ability to originate or purchase programs, enter into associated contracts, and acquire copyright and trademarks that have been granted to the Corporation so that it may achieve this purpose.

The Corporation is an agent of Her Majesty except in respect of the Corporation's international service and the Corporation's employees (section 47(1) of the *Act)*. As such, the Corporation may enter into contracts (47(2)) and acquire property (47(3)) in the name of Her Majesty (48(2)(a)), subject to a $4,000,000 limit with regard to the acquisition of real property or the disposition of real or personal property (other than program material or rights), as well as a $15,000,000 (modified by Governor in Council approval) (48(2)(b)) limit for the lease of real property. Transactions involving greater amounts require the approval of the Governor in Council.

Pursuant to section 46.1 of the *Act*, CBC/Radio-Canada may borrow money, with the approval of the Minister of Finance, up to a limit of $220,000,000, or any greater amount authorized by Parliament.

Regulatory Requirements

In the establishment and operation of its broadcasting activities, CBC/Radio-Canada must comply with the licensing and other regulatory requirements established by the CRTC under the *Act*, as well as any requirements under the *Radiocommunication Act* that apply to the Corporation's use of radiocommunication spectrum.

Given the special role of CBC/Radio-Canada in the Canadian broadcasting system, the *Broadcasting Act* limits the CRTC's regulatory authority over the Corporation.

Section 23(1) of the *Act* requires the CRTC to consult with CBC/Radio-Canada, if CBC/Radio-Canada requests this, about proposed license conditions for the Corporation. If the Corporation believes these license conditions will unreasonably impede its ability to fulfill its mandate under the *Act*, it can refer the matter to the Minister of Canadian Heritage (23(2)). The Minister may then issue a directive to the CRTC regarding the disputed license condition.

Pursuant to section 24(2) of the *Act*, none of CBC/Radio-Canada's "core" licenses (i.e., conventional television and radio station licenses) may be revoked or suspended without CBC/Radio-Canada's consent. If the CRTC determines that the Corporation has breached a condition of license, the CRTC must forward a report to the Minister of Canadian Heritage and the Minister must present the report to Parliament (25).

The Corporation's other broadcasting activities (e.g., specialty television and pay audio services) are subject to the same regulatory regime as for other industry participants. However, pursuant to section 26(1)(b) of the *Act*, the Governor in Council may direct the CRTC to reserve channels or frequencies for CBC/Radio-Canada.

The CRTC has renewed the licences for CBC/Radio-Canada's conventional television, radio and specialty services. The five-year licence term will run from September 1, 2013 until August 31, 2018. This decision provides revenue opportunities on our music radio services, maintains CBC News Network's and RDI's mandatory distribution orders on digital basic and grants the public broadcaster programming flexibility across all its regulated platforms to evolve to meet Canadians' needs. The decision endorses the Corporation's digital media strategy and supports the ongoing implementation of our 2015 Strategic Plan. It also strongly recognizes the financial challenges facing the Corporation.

Governance

As indicated above, Part III of the *Act* establishes the governance mechanisms for the Corporation. Pursuant to section 36 of the *Act*, CBC/Radio-Canada has a Board of Directors comprising 12 Directors, including the Chairperson and the President and CEO, all of whom are appointed by the Governor in Council. Directors are appointed for a term of up to five years. The Chairperson and the President and CEO may be re-appointed any number of times, but all other Directors are limited to two consecutive terms, unless the third term is as Chair or President and CEO.

The Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation and, pursuant to section 40 of the *Act*, is accountable to Parliament through the Minister of Canadian Heritage.

Pursuant to section 45 of the *Act*, the Board is required by statute to establish two standing committees, one in regard to English-language broadcasting and another in regard to French-language broadcasting. Section 148.1 of the *Financial Administration Act* (*FAA*) requires the Board to establish an audit committee of not less than three Directors.

The Corporate Plan, which the Corporation is required to file with the Minister pursuant to section 54 of the *Act*, must include a statement of the Corporation's objectives for the next five years and its strategy for achieving those objectives, the Capital Budget and the operating budget for the next financial year and any borrowing plans for that year. The Capital Budget is subject to the approval of the Treasury Board and borrowing plans are subject to the approval of the Minister of Finance.

Pursuant to section 55 of the *Act*, the Corporation must also submit to the Minister of Canadian Heritage a summary of the Corporate Plan modified to reflect the financial resources proposed to be allocated to CBC/Radio-Canada by Parliament. The Minister must table this summary before Parliament.

Section 131 of the *FAA* requires the Corporation to maintain satisfactory books of accounts, while section 132 requires that the Corporation have internal audits conducted. The Corporation must provide the Minister of Canadian Heritage with such reports of its financial affairs as the Minister may require. The *Act* at section 52(2) states that the Corporation is not required to provide information which could compromise or limit the journalistic, creative or programming independence of the Corporation, to the Treasury Board or the Ministers of Canadian Heritage or Finance.

The Auditor General of Canada is the auditor of the Corporation (section 61 of the *Act*). Pursuant to section 132 of the *FAA*, the Corporation must have an annual auditor's report prepared, addressed to the Minister of Canadian Heritage. Sections 138 to 142 of the *FAA* require the Corporation to have a special examination of its systems and practices at least once every 10 years. The auditor's report of this special examination must be submitted to the Board of Directors. If considered necessary by the auditor, after consultation with the Board, the auditor shall bring any relevant information to the attention of the Minister of Canadian Heritage.

Pursuant to section 71 of the *Act*, the Corporation must, within three months after the end of its financial year, provide an Annual Report to the Minister of Canadian Heritage and to the President of the Treasury Board. The Minister must present the Annual Report to Parliament within 15 sitting days.

Finally, in addition to those governance mechanisms set out in the *Act*, CBC/Radio-Canada established a Corporate Policy on Disclosure of Wrongdoings (the "Whistleblower Policy") in 2004, and amended it in 2007 to comply with the requirements of the *Public Servants Disclosure Protection Act* (proclaimed in force April 15, 2007).

The Corporation also has an extensive Code of Journalistic Standards and Practices. Complaints from the public that are not resolved at the program level are referred to one of the Corporation's two independent Ombudsmen.

With the passage of the *Federal Accountability Act*, CBC/Radio-Canada became subject (on September 1, 2007) to the provisions of the *Access to Information Act* and the *Privacy Act*.

The *Access to Information Act* (*ATIA*) gives the public a right of access to all records held by the Federal Government, Crown Corporations and other Government institutions subject to the *Act*; it also sets out exceptions to that right. In the case of CBC/Radio-Canada, the *ATIA* provides specifically that it does not apply to information that relates to CBC/Radio-Canada's journalistic, creative or programming activities.

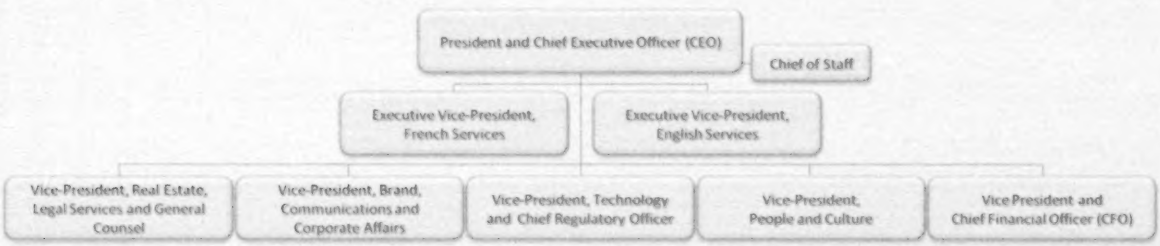
Managerial and Organizational Structure

CBC/Radio-Canada's head office is located in Ottawa, with two main network offices in Toronto and Montréal and 27 regional offices across the country in such major cities as Halifax, Québec City, Calgary, and Vancouver.

The Corporation's organizational structure reflects its broadcasting and related activities, as well as its infrastructure and administrative requirements. There are seven components within the Corporation:

1. French Services (Télévision de Radio-Canada, Radio de Radio-Canada and New Media)
2. English Services (CBC Television, CBC Radio and New Media)
3. Real Estate, Legal Services and General Counsel
4. Brand, Communications and Corporate Affairs
5. Technology and Regulatory Affairs
6. People and Culture
7. Finance and Information Technology

Senior Executive Team


President and Chief Executive Officer (CEO)
Chief of Staff
Executive Vice-President, French Services
Executive Vice-President, English Services
Vice-President, Real Estate, Legal Services and General Counsel
Vice-President, Brand, Communications and Corporate Affairs
Vice-President, Technology and Chief Regulatory Officer
Vice-President, People and Culture
Vice President and Chief Financial Officer (CFO)

These seven components report to the President and CEO through their respective component heads. The first two components (French Services and English Services) are responsible for the programming activities of the Corporation. The remaining components assist the main broadcasting activities through management of support functions. All components continually assess best practices to ensure that the maximum amount of the Corporation's overall funding is available for broadcasting activities.

The Senior Executive Team (SET) of the Corporation includes the President and CEO, his Chief of staff, and the seven component heads.